

Government of Maharashtra
Office of the Commissioner, Co-operative and Registrar,
Co-operative Societies, Maharashtra State, Pune

Outward No: Credit/d-4/multistate
Credit societies/criterion/13
Co-operative Societies, Maharashtra
State,
Pune

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Sub:- Urban / Rural Non-Agricultural Co-operative
Credit Societies, Special Category Credit

Societies Registration Criterion, Similarly
extension of area of operation extension of
branches – Revised Criterion

A) General Urban / Rural Non-Agricultural Co-operative Credit Societies – Registration Criterion

Since the Urban / Rural Non-Agricultural Co-operative Credit Societies in the State were in financial crisis in last few years, many difficulties were arisen in refunding the deposits of the depositors. While considering the numerical increase of the urban co-operative credit societies, the registration of new credit societies was deferred. Deemed for registration of

Urban / Rural non-Agricultural Co-operative Credit Societies in present situation has been made on large scale from all strata. Incidental to make Urban / Rural Non-agricultural Co-operative Credit Societies financially able it is necessary that their capital base should be strong at the time of registration.

Incidental to that the revised Criterion for Registration of these societies are as follow: -

Sr No.	Type of Urban area	Area of operation	Number of Primary number	Share Capital at the time of Registration Rs.
1.	A) Greater Mumbai and Navi Mumbai	District	5000	1 crore
		One Ward	3000	50 lakh

1.	B) Thane	District	5000	1 crore
		One Ward	3000	50 lakh
	C) Pune	District	4000	75 lakh
	D) Nagpur	District	4000	75 lakh
	E) Nashik	District	4000	75 lakh
2.	Other Urban and Rural Non-Agricultural (excluding Chandrapur, Gondia and Gadchiroli)	Village	1000	5 lakh
3.	Taluka (excluding Chandrapur, Gondia and Gadchiroli)	Taluka	3000	15 lakh
4.	Chandrapur, Gondia and Gadchiroli	District	2000	20 lakh
		Taluka	1000	5 lakh
		Village	500	2 lakh

5.	Remaining District	District	3000	50 lakh
6.	Cities having Municipal Corporation	One Ward	3000	50 lakh
7.	Cities having Municipality	One Ward	2000	20 lakh

While fulfilling the above criterion for registration of proposed credit societies, it is also mandatory to fulfill the following matters also.

1. In respect of increasing society, it is necessary to submit ensuing three years project report.

(Amount in lakh)

Proposed area of operation	Expected increase in deposit			Expected increase in loans			Expected increase in recovered share capital		
	1 st year	2 nd year	3 rd year	1 st year	2 nd year	3 rd year	1 st year	2 nd year	3 rd year
1	2	3	4	5	6	7	8	9	10
Proposed area of operation	Expected increased in number of members			Expected reserved and other fund			Expected profit / loss		
	1 st year	2 nd year	3 rd year	1 st year	2 nd year	3 rd year	1 st year	2 nd year	3 rd year
1	11	12	13	14	15	16	17	18	19

2. It is mandatory to submit latest certificate from the responsible police officer of the police station at concerned area of operation regarding no criminal background of the Chief Promoter and other promoters.

3. Chief Promoters and other promoters should have to submit affidavit made before Magistrate Comprising following points.

- a) That the Chief Promoter and other promoters have made 100 per cent fulfillment of KYC.
- b) That the Chief Promoter and other promoters are not doing more lending or any other corresponding business.

- c) That the Chief Promoter and other promoters are not defaulters of any other Co-operative Society.
- d) That the Chief Promoter and other 10 promoters are not directors of the other Co-operative Societies registered under Maharashtra Co-operative Societies Act 1960 having similar objectives.
- e) That the policy of the society regarding deposits and interest rate of the loans shall not be inconsistent to the criterion directed by the Co-operative department from time to time and not be unrealistic competitive.

4. It is mandatory that the Chief Promoter and other promoters should have to make affidavit before the Magistrate that they are giving guarantee to deposit minimum 25,000 each in the proposed society on village level and Rs. 50,000 on district, taluka or one ward level for 5 years.

5. Population certificate in the proposed area of operation should be submitted from competent officer.

6. Before registering the proposed society, the concerned Registrar should take registration decision only

7. The Registrar should have ensure while registering the proposed credit society that the Chief Promoter / Promoters are not office bearers, directors, officers, employee of the earlier societies which were in embarrassment, close down, insolvency because of mismanagement.

8. The registration of the proposed societies should be made if they are fulfilling the above criterion.

If they are not fulfilling the above criterion then registration of such societies should be denied.

B) Criterion for registration of Special categories Urban / Rural Non - Agricultural Co-operative Credit Societies

The revised criterion for registration of Urban / Rural Non - Agricultural Co-operative Credit Societies are as follow:-

Sr No.	Special Category	Area of operation	Number of Primary number	Share Capital at the time of Registration Rs.
1.	Adivasi	Village	500	1.5 lakh
		Taluka	1000	4 lakh
		District	2000	10 lakh

2.	Backward Class	Ward (Mumbai/Thane/Navi Mumbai)	1500	25 lakh
		Ward (Rest of Municipal Corporation)	1000	10 lakh
		Municipality	1000	7.50 lakh
		Village	500	3 lakh
		Taluka	2000	10 lakh
		District	3000	20 lakh
3.	Women	Ward (Mumbai/Thane /Navi Mumbai)	2000	30 lakh
		Ward (Rest of Municipal Corporation)	1500	20 lakh
		Municipality	1000	10 lakh

3.	Women	Taluka	1000	10 lakh
		District	3000	20 lakh
4.	Ex-Serviceman	Ward (Mumbai/Thane /Navi Mumbai)	500	30 lakh
		Ward (Rest of Municipal Corporation)	500	20 lakh
		Municipality	300	10 lakh
		Village	300	5 lakh
		Taluka	500	15 lakh
		District	2000	15 lakh

Following matters should be especially considered in respect of the registration of Urban / Rural Non-agricultural Credit Societies in Special Category.

- a) While registering Adivasi Urban / Rural Non-agricultural Co-operative Credit societies, it is mandatory that there should be 75 per cent members from the Adivasi Community.
- b) While registering backward class Urban / Rural Non-agricultural Credit Societies, it is mandatory that there should be 75 per cent members from the backward class.
- c) In case of registering Women Urban / Rural Non-agricultural Co-operative Credit Society, it is mandatory that 75 per cent members should be women.

d) In case of registering Ex-servicemen Urban / Rural Non-agricultural Co-operative Credit Society, 100 per cent members should be Ex-servicemen.

e) In case of Adivasi, backward class, Women/ Urban /Rural/Non-Agricultural Credit society, though there is a provision 25 percent other promoter members however such members shall not have representation as direction in society. The concerned Registrar should have to make such provision while sanctioning the bye- Laws.

With the full fulfillment of above criterion, it is mandatory to fulfill following matters also in case of

registering Urban/Rural Non-Agriculture Co-operative Credit societies in Special Categories.

- 1) To submit ensuring three years project report in respect of extension of societies shall be necessary.

(Amount in lakh)

Proposed area of operation	Expected increase in deposit			Expected increase in loans			Expected increase in recovered share capital		
	1 st year	2 nd year	3 rd year	1 st year	2 nd year	3 rd year	1 st year	2 nd year	3 rd year
1	2	3	4	5	6	7	8	9	10

Proposed area of operation	Expected increase in Mebers			Expected Reserve and other Fund.			Expected Profit & Loss		
	1 st year	2 nd year	3 rd year	1 st year	2 nd year	3 rd year	1 st year	2 nd year	3 rd year
1	11	12	13	14	15	16	17	18	19

2. It shall be mandatory to submit latest certificate from the responsible police office of the police station at the concerned area of operation in respect of chief promoters and other promoter have the no crime background

3. If shall be mandatory to submit Affidavit made before execution magistrate by the chief Promoter and other promoters comprising following points

- a) That the Chief Promoter and other Promoter members have fulfilled 100 percent KYC.
- b) That the Chief Promoter and other Promoters are not doing Money Landing or any corresponding business.
- c) That the chief Promoter and other Promoters are not defaulters of any Co-operative Societies.
- d) That the Chief Promoter and other 10 Promoters are not directors of the other Co-operative Society registered under Maharashtra Co-operative Societies Act 1960

e) That the deposits and loan rate interest policy of the society shall not be inconsistent with directives issued by the co-operative department from line to line and shall not be unrealistic competitive.

4. The certificate of population in the proposed area of operation shall be submitted from the competent Authority.

5. Before registering the proposal society the concerned Registrar should have to take hearing of the credit societies in the same classification existed in the proposal credit societies area of operation and the decision regarding registration should be taken on merit.

6. While registering the proposed credit society the concerned Registrar should answer that the Chief Promoter/promoters were not office bearers, directors officers, employees of the close down liquidated society in the district due to mismanagement.

7. The credit societies who fulfill the above criterion should be registered. If the proposed societies did not fulfilled the criterion that the registration of such societies should be denied.

C. Criteriar in respect of extension of area of operation for the Urban/ Rural non- Agricultural Co-operative Credit Societies.

& At present many Urban/Rural Non- Agricultural Co-operative Credit Societies in the State are in financial crisis Since difficulties arised to return the deposits of the depositors by recovering the loan from the debtor in such societies, the registration of new credit societies and similarly the criterion for extending area of operation were suspended temporarily. However the existing credit societies are making demand on large scale for extending their area of operation to the concerned Registrar. Therefore it was necessary to decide revised criterion to decide revised criteria for extention on area of operation and to apply it. The revised criterion are as follow:

Sr. No	Criteria for Proposed area of Operation	Greater Mumbai	Taluka	District	Ward Neighbor District	More than one ward/ State Level
1	Audit Classification	Should be A class in last five years	Should be A class in Last the years	Should be A class in Last five years	Should be A class in last 5 years.	Should be A class in last 5 Years.
2	Deposits Immediate financial Year	75 Cr.	5 Cr.	15 Cr.	50 Cr	100 Cr.

3	Gross NPA Immediate financial Year.	Less than 5%	Less than 5%	Less than 5%	Less than 5%	Less than 5%
4	Proportion of Default (Immediate Financial Year)	Less than 5%	Less than 5%	Less than 5%	Less than 5%	Less than 5%
5	C.D. Ratio	60 to 70%	60 to 70%	60 to 70%	60 to 70%	60 to 70%
6	Own Fund (Recovered Share Fund+ Reserve Fund- Cumulative	7 Cr 50 laks	50 Lakh	1 Cr 50 lakh	5 Cr	10 Cr

6	Loss) (Immediate Financial Year)					
7	Profit	Should be in net Profit from last three years				
8	Proportion of net Profit with working Capital (Immediate financial Year)	More than 1%				
9	Computerisation	100 % Fulfill			100 % ful fillment with CBS	100 % ful fillment with CBS

1. While considering the proposal of the societies regarding extending area of operation of the society on village level can be given extension of Taluka level area operation, the society having Taluka area of operation can be given district level area of operation. However the society on village level can made be given directly district level area of operation or society having Taluka level area of operation can not be given division level area of operation.

2. It the societies having District level area operation and fulfilling the above criterion than they can be given division or neighbor district or more than one division area of operation.

3. It is binding to take prior permission of the office of the commissioner co-operation for extension of area of operation. Similarly since such proposals are to be forwarded to the commissioner of the co-operation for prior sanction, the proposals should send with self explanatory remarks and it should be completed in all respect.

4. The proposals for district area of the operation shall be sent through Taluka Assistant Registrar, the proposals for extending Division or neighbor district shall be sent trough the District Dy. Registrar and proposals for more than one division shall be sent through Divisional Jt. Registrar, Co-operative societies.

5. It shall be mandatory to submit Statutory Auditors Report about whether the society has contravened in the daily basis CRR and SLR in the immediate Financial Year. If it has committed contravene then at how much time?

6. Whether the society has invested reserve fund and other fund as per provisions in the law? The concerned Registrar has to be ensured about this.

7. The concerned Registrar has to also ensure that the society has not contravened the limits of the type wise loan mentioned in Bye-laws.

8. It shall be mandatory to the Chairman of the society to submit affidavit before the Executive

Magistrate comprising following points:-

- 1) That the society has made 100% fulfillment of the KYC
- 2) That the working of all the branches including Head Quarter of the society has been made computerized.
- 3) That the present directors of the society were not affixed any responsibility earlier under section 83 or 88 of the Maharashtra Co-operative Societies Act 1960.
- 4) That not any present office bearer/director /officer/employee of the society has been implicated in criminal action as mentioned in section 161 of the Maharashtra Co-

9. If the society has earlier taken extension of area of operation then it is inevitable to submit proof in that respect with proposed.
10. The society should have to repay completely the financial assistance in any nature and type taken from the Government.
11. The concerned Registrar should have to ensure that the policy of the society is respect of deposits, rate of interest contravened to the provision in the bye laws and unrealistic committee, and accordingly be should have to give has self explanatory remarks.

D) Criterion In respect of new Urban/Rural/Non-Agriculture Co-operative Credit Societies

Revised Criterion for new Urban/Rural no-Agricultural Co-operative credit societies are as follow:

Sr. No	Criteria for proposed extension of Branches	For the society having area of operation in other Municipal corporation with Greater Mumbai.	For the society Taluka area operation	For the society having District Area operation.	For the society having Divisional neighbor district area of Operation	For the society having more than one divisional state level of operation
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1	Audit Classification	Should be A class in last five years	Should be A class in the Last five years	Should be A class in Last five years	Should be A class in last 5 years.	Should be A class in last 5 Years.
2	Deposits Immediate financial Year	75 Cr.	5 Cr.	15 Cr.	50 Cr	100 Cr.
3	Gross NPA Immediate financial Year.	Less than 5%	Less than 5%	Less than 5%	Less than 5%	Less than 5%
4	Proportion of Default (Immediate Financial Year)	Less than 5%	Less than 5%	Less than 5%	Less than 5%	Less than 5%

5	C.D. Ratio	60 to 70%	60 to 70%	60 to 70%	60 to 70%	60 to 70%
6	Own Fund (Recovered Share Fund+ Reserve Fund- Cumulative Loss) (Immediate Financial Year)	7 Cr 50 laks	50 Lakh	1 Cr 50 lakh	5 Cr	10 Cr
7	Profit	Should be in net Profit from last three years				

5	C.D. Ratio	60 to 70%	60 to 70%	60 to 70%	60 to 70%	60 to 70%
8	Proportion of net Profit with working Capital (Immediate financial Year)	More than 1%				
9	Computerisation	100 % Fulfill			100 % fulfillment with CBS	100 % fulfillment with CBS

Similarly it is mandatory to take prior permission of the commissioner of co-operative for the extension of branch. Since such proposal are to be send for prior permission of the commissioner of co-operation they

should be complete in all respect and with self-explanatory note that the proposal is fulfilling all criterior.

1. The credit societies having village/ward as area of operation shall not be legible for new branches However, after extending their area of operation (Village to Taluka) ward to 1 or 2 ward area of operation and if they fulfill the above criterior than such credit societies can extend branch.
2. The certificate of statutory Auditor for fulfilling above 1 to 7 criteria shall be necessary.
3. It shall be inevitable to submit the Affidavit made before the Executive Magistrate by the Chairman

of the Society comprising following points.

- 1) That the society has made 100% fulfillment of the KYC
- 2) That the working of all the branches including Head Quarter of the society has been made computerized.
- 3) That the present directors of the society were not affixed any responsibility earlier under section 83 or 88 of the Maharashtra Co-operative Societies Act 1960.
- 4) That not any present office bearer/ director /officer/employee of the society has been implicated in criminal action as mentioned in section 161 of the Maharashtra Co-

5) That the policy of the society in respect of the deposits-rate of interest on the loan should not be contravened with the provisions in Bye-laws and should not be unrealistic competitive.

4. If the society has earlier taken extension of area of operation then it is inevitable to submit proofs in that respect with proposal.
5. The society should have to repay completely the financial assistance in any nature and type taken from the Government.
6. After getting permission for the branch extension, its validity shall be for one year. If society make

demands for extension of period then maximum three months extension shall be given. Even after extension if branch was not commence at sanctioned place then the said branch sanction shall deemed to be automatically cancelled.

Even though the branch extension has been permitted on the condition of fulfilling Criteria, the maximum number of branches shall be determined according to the scope of societies gross deposit as follows:-

Sr. No.	Gross Deposit at the End of Immediate Financial Year	Limitation on Maximum Branches (Number)
1)	Up to Rs. 5 to 10 Cr.	Not more than 4

2)	More than Rs. 10 Cr. Up to 25 Cr.	Not More than 10
3)	More than Rs. 25 Cr. Up to 50 Cr.	Not More than 15
4)	More than Rs. 50 Cr. Up to 75 Cr.	Not More than 20
5)	More than Rs. 75 Cr. Up to 100 Cr.	Not More than 25
6)	More than Rs. 100 Cr.	Not More than 35

However the commissioner of Co-operation has authority to take final decision regarding extension of branches by observing increase in the deposit fund & profits and also financial condition of the societies having more than 500 Cr. deposit.

E. In respect of the urban Co-operative Credit Societies which are being merged:-

In the last few years many Urban Co-operative Credit

Societies are in difficulties because of different financial crisis some of them are in the condition of closure or they are in condition of difficulties in near future, the govt. has made special efforts in view of taking leading part by the competent Urban Co-operative Credit Societies for merging such Credit Societies. It is necessary to give some concession to the Credit Societies who are willing to merge such close Urban Rural Co-operative Credit Societies. Considering this matter and after ensuring the registrar such Credit Societies shall be eligible for following incentive concessions.

- 1) Irrespective of the criteria for extension of branches, the Credit Society has merged the other

Credit Society who facing difficulties can get one more branch with the branches of merging credit society. Migration of such branch received by merging can be made with the permission of the Commissioner of the Co-operation.

2) The society who merge other society shall be eligible for getting more marks in the audits weightage average marks for the consistently next five years as follows:-

First Year	–	5 Marks
Second Year	–	4 Marks
Third Year	–	3 Marks
Fourth Year	–	2 Marks
Five Years	–	1 Mark

3) Due to merging the said society can adjust Acquisition Cost for continuous five years as 20% per year.

4) Such societies shall be eligible for three marks as special case for State Level Award decided by State Government (Nearest Year).

E. Criteria regarding Migration of branches of Urban /Rural Co-operative Credit Societies:-

1) Regarding migration of loss making branches:-

Those Urban/ Rural Co-operative Credit Societies branches incurring losses for continuous three years,

operation. Proposal of Credit societies migration shall be submitted to the registrar. Following matters should be included in the said proposal:-

- 1) Attested Xerox copy of the letter issued by the registrar regarding branch permission.
- 2) Reasons regarding loss of the branch
- 3) Efforts made by the Credit society to come out from the loss
- 4) Next three years plan of the business expansion where branch to be migrated

5) Even after migration if the loss branch remain in the loss for continuous three years then the decision regarding closure of that bank is to be taken.

2. Regarding Closure of loss bank:-

Those Urban/ Rural Co-operative Credit Societies branches are in continuous loss for five years then it is obligatory to take decision of closure of that bank by the office bearers of the concern societies.

1) While closing such branch the transaction of that branch shall be transferred to the nearest branch.

2) While closing of the branch the alternate arrangement of the employees working in that branch shall be made through society.

Registration criteria regarding new credit societies registration, area of operation, new branch expansion are being self explanatory.

The concern registrar should have to follow the above criteria.

Similarly earlier all circulars issued by this office regarding registration of the credit societies extension of area operation and expansion of new branches shall be stand cancelled.



THANK YOU !

