

No.5/1/1/6/RCS/Credit/C3/2016 /35
GOVERNMENT OF PUDUCHERRY
CO-OPERATIVE DEPARTMENT

Puducherry, the 2 MAR 2018

**DIRECTIONS ISSUED UNDER SECTION 81 OF THE PUDUCHERRY
CO-OPERATIVE SOCIETIES ACT, 1972**

**Present : DR. A.S. SIVAKUMAR
REGISTRAR OF CO-OPERATIVE SOCIETIES
PUDUCHERRY.**

Sub: Banking operations with the Puducherry State Co-operative Bank -
Directions under Section 81 of the Puducherry Co-operative
Societies Act, 1972 - Issued.

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WHEREAS the Puducherry State Co-operative Bank Limited is the financing bank, as defined under Section 2 (10) of the Puducherry Co-operative Societies Act, 1972, which was organized with the avowed objective of extending financial assistance and providing banking operations to its affiliated societies;

AND WHEREAS it is noticed that some co-operative societies in the Union territory of Puducherry have opened their bank accounts with nationalized/private banks with a view to avail better facilities and faster service;

AND WHEREAS the Puducherry State Co-operative Bank Limited has modernized its services and extends facilities on par with commercial banks and its lending operations are quite competitive;

AND WHEREAS the Puducherry State Co-operative Bank Limited has systematized its functioning and the need of the hour is that all co-operative societies should support the financing bank for better functioning and operations;



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AND WHEREAS to achieve better coordination, financial discipline and prudence in investment the co-operative societies in the Union territory of Puducherry should have all their banking operations only with the Puducherry State Co-operative Bank Limited which has an assured service through its network of branches operated through all important locations.

NOW, THEREFORE, in exercise of the powers conferred on me under Section 81 of the Puducherry Cooperative Societies Act, 1972, and with a view to secure proper implementation of co-operative development programmes and to secure the proper management of the funds of the societies in the interest of the members, depositors and creditors, I issue the following directions, viz:

- (i) The co-operative societies which have their savings/current/cash credit/overdraft/loan accounts of any kind with other commercial banks should close such operations forthwith and open/re-open their accounts only with the Puducherry State Co-operative Bank Limited;
- (ii) The co-operative societies which have invested/parked their funds with commercial banks should withdraw such funds and invest only with the Puducherry State Co-operative Bank Limited; and
- (iii) All facilities availed with other commercial banks should now be availed only from the Puducherry State Co-operative Bank Limited.

These directions should be strictly implemented in letter and spirit and the co-operative societies which are operating outside the purview of the Puducherry State Co-operative Bank should discontinue such operations and report compliance without any deviation or delay. Failure to implement these directions will warrant actions against the erring societies in the manner known to law.

The receipt of the directions should be acknowledged.


[Dr. A.S. SIVAKUMAR]

REGISTRAR OF CO-OPERATIVE SOCIETIES

To

All the co-operative societies in the Union territory of Puducherry.

Copy to:

- 1. R.B.I., Chennai
- 2. NABARD, Chennai.
- 3. PSCB, Puducherry.
- 4. All Regional/Branch Officers 5. Website.