No.RCS/Planning/Emp.Cr./No.P.52/2021/ 294
Government of Puducherry
Cooperative Department (Planning Section)
V.V.P.Nagar, Thattanchavady Post, Puducherry – 605009.
***

Puducherry dated 11/8/2023

PROCEEDINGS OF THE REGISTRAR OF COOPERATIVE SOCIETIES, PUDUCHERRY

Present: **Thiru. S. YESVANTHAIYAH**
Registrar of Cooperative Societies, Puducherry .

Sub: The Puducherry Public Servants' Cooperative Credit Society Ltd., No.P. 52 – Subsidiary Regulations Governing the sanction of Medium Term Surety Loan to the Staff of the Society – Approval – Accorded.

Read:
1. Letter dated **02.01.2023** received from the Secretary of the Puducherry Public Servants' Cooperative Credit Society Ltd., No.P. 52 along with a copy of **Resolution No .9 dated 20.08.2022** of the general body meeting of the society.
2. This office letter of even number dated 4.5.2023.
3. Letter dated **25.05.2023** received from the Secretary of the Society.

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ORDER:

In pursuance to the reference cited and in exercise of the powers conferred on me under the Bye-law No. 38(12) of the bye-laws of the Puducherry Public Servants' Cooperative Credit Society Ltd., No.P.52, I approve the Subsidiary Regulations Governing the Sanction of Medium Term Surety Loan to the Staff of the Puducherry Public Servants' Cooperative Credit Society Ltd., No.P.52 framed vide resolution cited. A copy of the said regulations, as approved, is annexed. The said regulations shall take effect from the date of issue of this order.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES * PUDUCHERRY

-/ Sd /-
(S. YESVANTHAIYAH)
REGISTRAR OF CO-OPERATIVE SOCIETIES

To:
The President,
The Puducherry Public Servants' Cooperative Credit Society Ltd., No.P.52,
Puducherry.

Copy to
1. Reference Regulation
2. Web Editor, Coop. Dept., Puducherry
3. Stock file, 2023.

-/ By order of the Registrar of Co-op. Societies /-

11/8/2023

(V. VENCATA SRINIVASSACHARIOLOU)
DEPUTY REGISTRAR (PLANNING)

ANNEXURE TO THE
PROCEEDINGS NO. RCS/PLG/EMP.CR/NO.P.52/2021/ 294 DT. 11 /08/2023

SUBSIDIARY REGULATIONS GOVERNING THE SANCTION OF MEDIUM TERM SURETY LOAN TO THE STAFF OF THE PUDUCHERRY PUBLIC SERVANTS' CO-OP. CREDIT SOCIETY LTD., NO.P.52

1. **Title, Commencement and Application:**
   a) **Short Title:** These regulations may be called as "The Subsidiary Regulations governing the sanction of Medium Term Surety Loan to the Staff of the Puducherry Public Servants' Co-op. Credit Society Ltd., No.P.52".

   b) **Commencement:** These regulations will come into force with effect from the date of its approval by the Registrar of Co-operative Societies, Puducherry.

   c) **Applicability:** These regulations shall be applicable to the staff of the Puducherry Public Servants' Co-op. Credit Society Ltd., No.P.52.

2. **Definitions:** In these regulations, unless the context otherwise requires:

   a) **"Board"** means the Board of Directors constituted as per the provisions of the bye-laws of the society.

   b) **"Loan"** means Medium Term Surety Loan to the Staff of the Society.

   c) **"President"** means the President of the society.

   d) "**Registrar"** means the Registrar of Co-operative Soceities appointed by the Government of Puducherry.

   e) **"Regulations"** means the subsidiary regulations governing the sanction of medium term surety loan to the staff of the Society.

   f) **"Society"** means the Puducherry Public Servants' Co-op. Credit Society Ltd., No.P.52.

   g) **"Staff"** means a regular staff of the society.

3. **Purpose of Loan:** Loan may be granted to the staff of the society for their domestic needs or for other useful purposes.

4. **Maximum Limit of Loan:** The maximum amount of loan that may be sanctioned to a staff under these regulations shall not exceed twenty five (25) times of his monthly pay or Rs.15,00,000/-(Rupees Fifteen Lakhs only) whichever is less.

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5. **Eligibility for applying loan:**

   a) The applicant should be a staff of the society, who have completed five (5) years of continuous service in the society.

   b) The applicant should not be in default to the society in respect of any loan or advance taken from the society.

   c) The applicant shouldn't have loan dues payable to the following **five (5) Co-operative societies** in respect of Medium-term Surety Loan, Short-term loan or Consumer Loan.

      (i) Pondicherry State Co-operative Bank Ltd No.P.78
      (ii) Pondicherry Co-op. Central Land Development Bank Ltd.No.P.106.
      (iii) Pondicherry Co-op. Urban Bank Ltd., No.P.14.
      (iv) Amutham Co-op. Credit Society Ltd., No.P.638.
      (v) Any Primary Agricultural Co-op. Credit Societies.

   d) No staff shall claim loan as a matter of right.

   e) No staff shall be eligible to apply for a loan when he has got a service period of less than three (3) years.

   f) No staff shall be eligible to apply for a fresh loan until he has fully cleared the loan amount taken previously or before the expiry of twelve (12) months from the date of disbursement of previous loan.

   g) No staff, who is placed under suspension, shall be eligible to apply for loan.

6. **Application for loan:**

   a) The application for loan shall be made in the form prescribed by the Board, which can be obtained from the society on payment of such amount as may be prescribed by the Board from time to time.

   b) The application for loan should be signed by the applicant as well as his surety, who shall necessarily be another staff of the society.

   c) No staff shall stand surety for more than a staff.

   d) The applicant should obtain "No Due Certificate", from the five (5) co-operative societies mentioned at Rule(5)(c) above and enclose the same along with application for loan.

   e) The application, which is incomplete and/or without enclosures as required, is liable to be rejected.

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7. **Scrutinization of the loan application:**

a) On receipt of a loan application, it shall be chronologically recorded in the Staff Loan Application Register, specifying the serial number, date of receipt of the loan application, name of the applicant and the loan amount applied for.

b) A staff of the society, authorized for this purpose, shall scrutinize the loan application and prepare a "Check List" as prescribed by the Board.

c) The President of the society shall counter-check the loan application and the check-list and ensure that the application is in order and is accompanied by the required enclosures.

d) The President shall ensure that,

(1) The applicant has fully remitted his dues, in respect of his previous loan, if any, availed from the society.

(2) The applicant has sufficient means of income to repay the loan regularly within the time limit prescribed in these regulations.

(3) The take home pay after all the deductions of the applicant, in the first month of recovery of the loan is not less than twenty five percent (25%) of his gross emoluments. In case this works out to less than twenty five percent, the loan amount should be correspondingly reduced; and

(4) The entire loan together with interest thereon will be recovered at least three (3) months prior to the date of retirement of the applicant.

e) If the President is satisfied that the application is in order and the applicant is eligible to avail a new loan or a fresh loan, as the case may be, from the society, he shall record his recommendation in the check list and place the loan application before the Board for sanction.

f) **Competent authority to sanction loan**: Subject to the provisions of the regulations, the Board shall be the competent authority to sanction loan to the staff. The Board shall decide the applications, based on the recommendations, made in writing, by the President. Wherever the Board differs from the recommendations of the President in sanctioning a loan, it shall record the reasons therefor in the minutes book.

g) For good and sufficient reasons to be recorded in the minutes book, the Board may refuse to sanction loan to any applicant or may sanction a lesser amount than the amount applied for.

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Provided that the President shall inform the applicant concerned the reason for refusal of a loan or sanction of a lesser amount of loan by the Board.

8. **Execution of documents:** When the loan is sanctioned, disbursement shall not be made unless the loan documents are completely executed, before the President, by the applicant and his surety. The applicant and his surety should also sign in the loan ledger.

9. **Disbursement of loan:** The loan amount, as sanctioned by the Board, shall be disbursed to the applicant through Electronic Clearing Service (ECS) or by means of account payee cheque.

10. Interest on loan:

a) **Rate of Interest**: The loan sanctioned under these regulations shall carry interest at such rates as may be prescribed by the Board, from time to time.

Provided that, the interest rate should not be less than the rate of interest as fixed by the Board for the Medium-term Surety Loan applicable to the members of the society.

b) **Calculation of interest:** Interest shall be charged from the date of disbursement of the loan, on a daily product basis, on the amount outstanding.

c) **Penal Interest:** In case of default of any instalment, penal interest shall be charged by the society at three percent (3%) per annum over and above the rate prescribed under clause (a) above, on the amount overdue:

Provided that the penal interest shall be charged only for the number of instalements overdue and ordinary interest shall be charged for the balance amount.

11. Recovery of loan:

a) The loan shall be recovered in such numbers of equal monthly instalments, as the applicant may choose, along with interest due thereon. However, the instalments shall not exceed the number of instalments as fixed to the members of the society for their Medium-term Surety Loan.

b) The applicant may at his option to repay a sum higher than one instalment in a month, but such excess payments will not result in postponement of subsequent instalments.

c) The applicant may elect to repay in a shorter period than that agreed to.

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d) Repayment of loan will commence from the salary for the month following the month in which the loan was disbursed.

e) Instalments should be deducted from the monthly salaries of the staff concerned.

f) In case of default exceeding three months in repayment of loan dues, the President shall initiates necessary steps, such as, issue of notice to the applicant and his surety, filing of monetary dispute under Section 84 of the Pondicherry Co-operative Societies Act, 1972 before the Registrar.

12. Foreclosure of loan account:

a) When the principal borrower dies or becomes a defaulter or ceases to be a staff of the Society, the loan amount due along with interest due thereon becomes payable immediately and the same shall be recovered from him or from his legal heir/nominee or from his surety, in one or more instalments as may be decided by the Board.

b) In case an applicant is found to have given incorrect information in the loan application, which will materially alter the position, the Board shall have power to foreclose the loan account and recall forthwith the dues on the loan amount sanctioned and disbursed based on such incorrect information along with interest due thereon. The applicant giving such incorrect information shall not be eligible to avail loan from the society or to stand as surety for a period of one year from the date of full payment of such loan.

13. **Interpretation:** Should any doubt or dispute arise in the construction or meaning or interpretation of any of these regulations, the committee shall refer the matter to the Registrar, whose decision shall be final and binding on the society and staff.

14. **Power to amend:** Notwithstanding anything contained in these regulations, it shall be competent for the committee to modify, relax, alter or amend any of these regulations, with the prior approval of the Registrar.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES • PUDUCHERRY •

11/8/2023

6/10 **(V. VENCATA SRINIVASSACHARIOLOU)**
DEPUTY REGISTRAR (PLANNING)