No.RCS/Planning/Emp.Cr./No.P.161/2025/36
Government of Puducherry
Co-operative Department (Planning Section)
V.V.P.Nagar, Thattanchavady Post, Puducherry – 605009.
***

Puducherry dated : **04.02.2025**

PROCEEDINGS OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES, PUDUCHERRY

Present: Thiru. S. YESVANTHAIYAH,
Registrar of Co-operative Societies, Puducherry.

Sub: The Pondicherry State Co-operative Bank Staff Co-operative Credit Society ltd., No. P.161- Subsidiary regulations governing the sanction of **Short-term-loan** to members – Approval – Accorded.

Read: Letter dated **19.12.2024** received from Pondicherry State Co-operative Bank Staff Co-operative Credit Society ltd., No. P.161, along with a copy of **Resolution No.1 dated 10.12.2024** of the committee of management.

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ORDER:

In pursuance to the reference cited and in exercise of the powers conferred under the **bye-law No. 36(13)** of bye-laws of Pondicherry State Co-operative Bank Staff Co-operative Credit Society ltd., No. P.161, the Registrar of Co-operative Societies hereby approves the Subsidiary Regulations Governing the grant of **Short-Term Loan** to the members of the Pondicherry State Co-operative Bank Staff Co-operative Credit Society ltd., No. P.161 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.

-/ BY ORDER /-

4/2/2025

3/10 **(V. VENCATA SRINIVASSACHARIOLOU)**
DEPUTY REGISTRAR (PLANNING)

To:
The President,
Pondicherry State Co-operative Bank Staff Co-operative Credit Society ltd., No. P.161,
Puducherry.

Copy to:
1. Reference Regulations
2. Web Editor, Co-operative Department, Puducherry.
3. Stock File, 2025.

ANNEXURE

SUBSIDIARY REGULATIONS GOVERNING THE SANCTION OF SHORT - TERM LOAN TO THE MEMBERS FRAMED UNDER BYE-LAW NO. 36(13) OF THE PONDICHERRY STATE CO-OPERATIVE BANK STAFF CO-OPERATIVE CREDIT SOCIETY LTD., NO. P.161

1. **SHORT TITLE, COMMENCEMENT AND APPLICATION**

1) **Short title:** These regulations may be called as "The Subsidiary Regulations governing the sanction of Short Term Loan to the Members of the Pondicherry State Co-operative Bank Staff Co-operative Credit Society Ltd., No. P.161".

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

3) **Applicability:** These regulations shall be applicable to the members of The Pondicherry State Co-operative Bank Staff Co-operative Credit Society Ltd., No. P.161.

2. **DEFINITIONS:**

In these regulations, unless the context otherwise requires:-

1) **"Committee"** means the Committee of Management constituted as per the provisions of the Bye-Laws of the society.

2) **"Loan"** means Short Term Loan.

3) **"Member"** means a person, joining in application for the registration of the society and a person admitted to membership after such registration in accordance with the Act, Rules and Bye-Laws and holds at least one share in the society.

4) **"President"** means President of the Society.

5) **"Registrar"** means the Registrar of Co-operative Societies appointed by the Government of Puducherry under section 3(1) of the Puducherry Co-operative Societies Act, 1972 and shall include any other authority/authorities to whom the powers of the Registrar have been delegated by the Government of Puducherry.

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6) **"Regulations"** means subsidiary regulations governing the sanction of short term loan to members of the Pondicherry State Co-operative Bank Staff Co-operative Credit Society Ltd., No. P.161.

7) **"Society"** means The Pondicherry State Co-operative Bank Staff Co-operative Credit Society Ltd., No. P.161.

3. PURPOSE OF LOAN

Loan may be granted to the members for meeting their domestic needs or for other useful purpose.

4. LIMIT OF LOAN

The maximum amount of loan that may be sanctioned to a member under these regulations shall not exceed Rs. 1, 00,000/- (Rupees One Lakh only)

Provided that no member shall be indebted to the society for a sum exceeding Rs. 11, 20,000/- (Rupees Eleven Lakh Twenty Thousand only), at any time.

5. ELIGIBILITY FOR OBTAINING LOAN

1) No member, who is under suspension, shall be eligible to apply for loan.
2) The applicant should not be in default to the society in respect of any loan taken by him.
3) No member shall claim loan as a matter of right.

6. APPLICATION OF LOAN

1) The application of loan shall be made in the form prescribed by the Committee which can be obtained from the society on payment of such amount as may be prescribed by the committee from time to time.
2) The application should be signed by the applicant as well as his surety.
3) The application should be accompanied by:-
   a) A self-attested Photo copy of the last month's pay slip of the applicant.
   b) An undertaking, of the applicant, authorizing his Pay Disbursing officer to recover the monthly installments of loan amount, interest and other amounts due to the society from his salary, as per the monthly demand statements/requisitions of the society, and

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

7. SANCTIONING OF LOAN

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

2) A staff of the society, authorized for this purpose by the President, shall scrutinize the loan application and prepare a check list.

3) The President shall counter-check the loan application and the check list prepared by the staff and ensures that the application is in order and is accompanied by the required enclosures.

4) The President shall further ensure that the applicant has fully remitted his dues, in respect of his previous loan, if any, availed from the society.

5) The President shall satisfy himself that the applicant has sufficient means to repay the loan regularly within the time limit prescribed in these regulations.

6) The President shall also ensure that 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:

7) It should be ensured that the entire loan together with interest thereon will be recovered at least three (3) months prior to the date of retirement of the applicant.

8) 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 recommendations, in the check list and place the loan application before the committee, for sanction

9) **Authority:** Subject to the provisions of the regulations, the committee shall be the authority competent to sanction loan to the members.

The loan applications shall be taken up for consideration, strictly as per the seniority list of applications. However in extra-ordinary circumstances, such as marriage, betrothal, education, medical treatment etc., it shall be competent for the committee to sanction a loan to an applicant by bye-passing the seniority list. In such case, the committee shall record the reasons therefor in the Minutes Book. Normally, the committee shall decide the applications, based on the recommendations, made in writing by the President. Wherever the committee differs from the recommendations of the President in sanctioning a loan, it shall record the reasons therefor in the Minutes Book.

10) For good and sufficient reasons to be recorded in the Minutes Book, the committee may refuse to sanction loan to any applicant or may sanction a lesser amount than the amount applied for:
Provided that the President shall inform the applicant concerned the reasons for refusal of a loan or sanction of lesser amount of loan by the committee.

11) The President shall send a loan sanction order to the applicant, specifying the date and time for execution of loan documents and disbursement of loan amount.

8. SHARE CAPITAL CONTRIBUTION

The applicant should have 5% (Five Percent) of the loan amount as his share capital contribution.

9. EXECUTION OF DOCUMENTS

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

10. MODE OF LOAN DISBURSEMENT

The loan amount, as sanctioned by the committee, shall be disbursed to the applicant by the President. Loan shall be disbursed only by means of cheque.

11. INTEREST ON LOAN

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

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

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3) **Penal Interest:** In case of default of any installment, penal interest shall be charged by the society at three percent (3%) per annum over and above the rate prescribed under clause (1) above, on the amount overdue:

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

12. RECOVERY OF LOAN

1) The loan shall be recovered in such numbers of equal monthly installments, as the applicant may choose, along with interest due thereon. However, the installments shall not exceed Thirty Six (36).

   Provided that the applicant, may at his option repay a sum higher than one installment in a month, but such excess payments will not result in postponement of subsequent installments.

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

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

4) Installments should be remitted within Tenth (10^{th}) of every succeeding month.

5) The President shall arrange to prepare and send a monthly demand statement in duplicate to the Pay Disbursing Officers concerned, on or before 20^{th} of every month for effecting recovery from the salary of the borrower.

6) The President shall arrange to prepare an abstract of the monthly demand statements every month and place the same to the committee. The President shall ensure that the total of the loan outstanding shown in the abstract of monthly demand statement tallies with the balance sheet.

7) The President shall arrange to prepare a loan overdue list every month and place the same to the committee for review and action.

8) In case of default exceeding three months in repayment of loan dues, the President shall initiate necessary steps, such as issue of notice to the Pay Drawing Officers concerned for effecting recoveries regularly, issue of notice to the applicant, filing of monetary dispute under Section 84 of the Puducherry Co-operative Societies Act, 1972, before the Registrar.

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13. FORECLOSURE OF LOAN ACCOUNT

i) When the borrower becomes a defaulter or ceases to be a member of the society, the loan amount due along with interest due thereon becomes payable immediately and the same shall be recovered from him, and/or from his surety in one or more installments as may be decided by the committee.

ii) In case an applicant is found to have given incorrect information in the loan application, which will materially alter the position, the committee 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:

Provided that 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.

14. DEATH OF THE BORROWER OR SURETY

In the case of death of the borrower or his surety, the surviving member shall inform the society of the event within fifteen (15) days from the date of his knowledge and the committee shall take necessary steps in the matter.

15. ELIGIBILITY FOR FRESH LOAN

1) No member shall be eligible to apply for a fresh loan until he has fully repaid the loan amount taken previously and before the expiry of twelve (12) months from the date of disbursement of previous loan.
2) No member shall be eligible to apply for a fresh loan, when has got a service period of less than one year.

16. INTERPRETATION

Should any doubt or dispute arises 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 members.

17. 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.

Approved vide ProceedingsNo.RCS/Planning/Emp.Cr./ No.P.161/2025/ 36 Dated 04.02.2025

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES ★ PUDUCHERRY

4/2/2025

4/10 (V. VENCATA SRINIVASSACHARIOLOU)
DEPUTY REGISTRAR (PLANNING)