



DEPARTMENT OF COOPERATION  
OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES,  
GOVERNMENT OF GOA  
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OFFICE MEMORANDUM

The Urban Cooperative Credit Societies; Multi-Purpose Coop. Societies & V.K.S.S. Societies having credit counters has emerged as unique institutions to serve weaker sections of the economy by accepting deposits and making available funds in form of loan at reasonable terms and conditions.

The Members of the Co-operative societies have parked sizeable amount of deposit in the credit societies and in order to safeguard the funds of the members/ depositors the department have issued various guidelines viz macro norms for conduct of business, maintenance of liquidity to meet time and demand liability, profit and loss analysis guidelines, provisioning towards NPA and maintenance of borrowing capacity.

It is mandatory for the Credit Cooperative Societies to maintain the borrowing capacity as required under the sub section,2 of section,51 of the Goa Cooperative Societies Act,2001, which states that "***the borrowing capacity of the Society shall not exceed 10 times of the sum of paid up share capital, reserve fund, building fund and accumulated profit less accumulated loss, if any, which also further provides that the society with the prior approval of Registrar may specify the limit of the borrowing upto 25 times of its net worth***".

However, the inspection report of various credit societies revealed that most of the Societies have mobilized fund in excess of its borrowing capacity thereby violating provisions of sub-section 2 of section, 51 of the Goa Co-op. Societies Act, 2001.

The Asstt. Registrars of Cooperative Societies of all subordinate offices have been delegated with the above provisions under section 51 of the Act. However, there is no standard norms followed for considering the proposals for giving enhancement of borrowing capacity from 10 times of net worth with further extension upto 25 times.

In order to streamline credit to deposit structure and in order to protect interest of the depositor, it is enjoined upon all the zonal offices to scrutinized proposal of enhancement of borrowing capacity after taking in to account financial position of the society concern based on the latest audited position. Therefore, while assessing the proposals for borrowing capacity following parameters shall be strictly adhered to viz:-

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1. The societies should have posted net profit during each of the preceding 2 years.
2. The society should have made 100% provision towards NPA'S as per the Circular on non-performing assets issued by the Department under No. 41/92/TS/RCS dated 28/01/2004.
3. The ideal liquidity norms on resource and utilization shall be followed.
4. They should have maintained ideal credit deposit ratio as prescribed by the department from time to time
5. They should observe all the financial parameters prior to submission of the proposal. The financial position of the society should be sound and the society shall be placed under "A" or "B" Audit classification and shall have less than 10% of Gross NPA for last 2 preceding years.

All the proposals received from the Societies for enhancement of limit of borrowing shall be examined at the level of Zonal Asstt. Registrar of Coop. Societies in lines with the above guidelines and other guidelines issued by this office from time to time and only those proposals of the societies which fulfills the above guidelines shall be submitted for further scrutiny to the Registrar of Cooperative Societies before granting approval for amendments to Bye laws. The proposal which failed to fulfill the eligibility criteria shall be summarily rejected at the level of Zonal office.

In addition to the above proposals which are finalized prior to issue of above guidelines for enhancing borrowing capacity shall also referred to this office for undertaking scrutiny and for administrative approval of this office .The instruction contained in this office memorandum shall be scrupulously followed without any deviation and any violation on the same shall be viewed seriously.



( ARVIND B KHUTKAR )  
Registrar of Coop. Societies,  
Govt., of Goa,

**Copy to:-**

1. The Asstt. Registrar of Co-op. Societies central/ North/ South/ Ponda/ Quepem Zone, Panaji/Mapusa/Margao/Ponda/Quepem Goa,for compliance and necessary action.
2. The Asstt. Registrar of Co-op. Societies, ADT/HQ, for information.
3. The Nodal Officer, O/o the Registrar of Co-op. Societies for updating the Departmental Website.
4. Office copy.