

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

Date: 23/8/2013.

CIRCULAR

Sub:- In respect of the criterion for registering
Multistate Co-operative Credit Societies

Read:- 1) Circular dt. 20-05-2013 issued by Shri Aashihkumar Bhutani, Central Registrar.

2) This office Circular No. Na. Banka/D-4 Multi-state criterion, dt. 23-06-2011

This office issued circular under above read No.2 regarding giving permission for extending operational area to the credit societies in state or for starting branches in the Maharashtra to the credit societies from other states. However henceforth for registering multi-state credit society, the NOC of the Registrar of the Co-operation of the state and certifying the deserving letter by examining the background of the Chief Promoter and other promoters has been made obligatory. Defined as follow:-

Accordingly the criterion for giving NOC for registering new multi-state credit society and also for giving NOC at the time of submitting proposal extension area of operation in other states to the society registered in Maharashtra and similarly to issue NOC to the credit society registered in other states and desiring to extend area of operation in Maharashtra has been defined as follow.

A) Criterion for registering new multi-state credit societies:

- i) Realized Capital of the society should be Rs. 1.00 crore
- ii) For establishing the registered office in the Maharashtra State, the minimum number of

members who are residence of the Maharashtra
Should be 1000.

- iii) Submission of coming three years project report for extension of society should be essential.
- iv) To submit latest certificate from the police officer of the concerned operational area regarding no criminal background of the Chief Promoter and other Promoters is mandatory.
- v) It is mandatory to the Chief Promoter Magistrate
Comprising following points:
 - a) The Chief Promoter and other promoter members should have to make 100 per cent

fulfillment of know your Customer Criterion.

b) The Chief Promoter and other promoters are not doing money lending or any other corresponding business.

c) The Chief Promoter and other promoters are not defaulters of any other financial society.

d) The Chief Promoter and other 10 promoters are not directors of any such society which have common objects.

vi) The Chief Promoter and other promoters should have to submit end of the last year's net worth certificate issued by the Chartered Accountant who have at least five years experience.

B) The society which is registered in Maharashtra State and desiring of area of operation in other states then criterion for submitting proposal in that respect:

- i) The deposits in immediate financial year should be 100.00 crore or more.
- ii) Minimum 10 per cent of the deposit at the end of the immediate financial year should be society's own fund. (Our fund = recovered share capital + reserve fund + building fund – accumulated loss)
- iii) Audit class should be 'A' for the immediate continuous five financial years.

iv) Credit-deposit ratio of the society should be between 65 per cent to 70 per cent

v) The proportion of the Gross N P A of the immediate continuous five financial years should be less than 10 per cent and similarly Net N P A should be less than 5 per cent

vi) The society should be in profit in last five financial years and the proportion of the profit should be at least 1 per cent with the working capital.

vii) The society should have to kept minimum 2 per cent C R R and minimum 20 per cent S L R on daily system in the immediate entire year.

- viii) The society's average per branch business in the end of immediate financial year Rs. 500 to 750 lakhs.
- ix) The society should have to invest of the reserve fund by following the provisions in the law
- x) It is mandatory to submit society's present statutory auditor's certificate regarding fulfillment of above points number 1 to 9.
- xi) The society should have to complete five years period from its establishment.
- xii) The Society's present area of operation should at least state level.

xii) It is mandatory to submit affidavit made before Magistrate by the society's present President/Chairman comprising following points.

- a) That the society has fulfilled know your Customer Criteria 100 per cent for all its present members and customers.
- b) Submit proofs that the society has taken prior permission of the Co-operation Department for all its working branches.
- c) The working of all branches including head office of the society is computerized and the computer system is in order.
- d) There is no pending action under section 83 or 88 of the Maharashtra Co-operative Societies Act 1960 against the society.

Similarly earlier also not any type of responsibility was fixed on the office bearer of the society in such type of action.

e) Criminal nature action was not taken against any office bearer of the society as mentioned in section 161 of the Maharashtra Co-operative Societies Act, 1960.

xiii) It is mandatory to submit latest certificate from the police officer of the concerned area of operation regarding not having criminal record against present chairman, directors

xiv) The society should have to repaid completely any type of government financial assistance.

C) Criterion for extension of area of operation in Maharashtra to the credit society registered in other states:

- i) Deposits in the immediate financial year should be minimum Rs. 100.00 crore or more
- ii) Society should be in net profit in last five years
- iii) Audit class should be 'A' or in 1st class for the immediate continuous five financial years
- iv) Default ratio should not be more than 10 per cent in the society's end of immediate financial year.

- v) The society should have completed minimum more than five years period from its establishment
- vi) Society's credit deposit ratio should be at least between 65 per cent to 70 per cent
- vii) The society have at least 10 per cent own fund of the deposits with society at the end of immediate financial year. (Own fund = recovered Share Capital + reserve fund + building fund – accumulated loss)
- viii) The Society's per branch business at the end of immediate financial year should be minimum Rs. 500 to 750 lakhs (deposits + loan) It is mandatory

to submit the certificate of the present statutory auditor of the society that the above point no.1 to 8 have been fulfilled.

ix) It is mandatory to submit latest certificate from the police officer of the concerned area of operation regarding not having criminal record against present chairman and director members.

x) It is mandatory to submit affidavit made before the Magistrate by the present President / Chairman of the society comprising following points:

a) That the present president, directors, members and customers and similarly

members entering in the proposed area of operation have 100 per cent fulfilled the KYC.

- b) Working of all branches including head office of the society is computerized and computer system is in good condition
- c) Criminal action has not been initiated against society's office bearers / directors, officers
- d) The Society's policy for deposits and interest rate on the loan shall not be inconsistent and making fictitious competition with other societies registered under Maharashtra Co-operative Societies Act

The NOC for registration as new multistate credit society, extension of area of operation shall be given to those societies shall be given to those societies which fulfill above mentioned criterion. This office read no. 2 circular stands cancelled from the date of this Circular.

Sd/-

**Commissioner, Co-operation &
Registrar, Co-operation Societies,
Maharashtra State, Pune**



THANK YOU !

