

Directorate of Cooperation
Himachal Pradesh.

No. 5-60/91-Coop. (C&M)-IV Dated: Shimla-09

03 September, 2020

DIRECTIVE

Whereas, an increasing number of cases of misappropriation and embezzlement of huge funds of the Cooperative Societies are being reported to this Directorate;

Whereas, the reported embezzlements are found to have been committed, either by Secretary, President or Salesman of the PACS or the NATC's who normally are not the authorized persons to keep custody of the cash of the Societies concerned;

Whereas, it has also been observed that adequate safeguard measures to ensure safety of the cash by the Management and the field staff are not taken and unauthorised persons are allowed to retain cash and no limit for keeping cash balance with the authorized person is fixed by the Management, which have resulted in misappropriation/embezzlement of huge funds of the Societies;

Whereas, the Govt. of India with an intention to evade hoarding of black money and to discourage the cash transaction has time and again taken various steps and accordingly amended Income Tax Act so as to provide with disallowances and stringent penal provisions for various types of cash transactions;

Whereas, despite the statutory provisions qua disallowances of various types of cash transactions, instances of huge cash transactions by the Cooperative Societies, resulting in misappropriation/embezzlement of huge funds of societies are being reported to this directorate;

And whereas, it is imminent that some preventive and safeguard measures are devised & enforced in order to check this grave tendency especially in respect of PACS & NATC's.

Now, therefore, in exercise of the powers vested in me under rule 152 of the H.P. Cooperative Societies, Rules 1971, the following instructions are issued so as to ensure transparency in the working of the PACS and NATC's of the State with immediate effect:

1. No officer, or employee of PACS and NATC's, other than its officer/ employee or representative duly authorized under a valid resolution of the Society, shall be entitled to retain custody of the cash of the society with him.

2. A limit for keeping cash balance with the authorized officer/employee or representative shall be fixed by the Managing Committee under a valid resolution and such limit shall not exceed Rs. 20,000/- (Twenty Thousand only). It will be the joint and the several responsibility of the members of the managing committee to see that the said custodian of cash, does, under any circumstances, retain with him, any amount which exceeds the fixed cash limit.

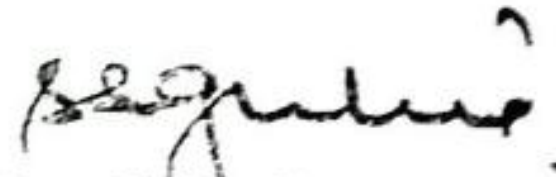
3. No PACS and NATC's shall incur any expenditure in respect of which payment is made in excess of Rs. 10,000/- at a time otherwise than by Account-Payee Cheque or draft or use of electronic clearing system through a bank account.

4. No PACS and NATC's shall accept/repay any loan or deposit of Rs. 20,000/- or more otherwise than by way of an Account-Payee Cheque or an Account-Payee draft or use electronic clearing system through a bank account. The limit of Rs. 20,000/- will also apply to a case even if on the date of taking or accepting such loan or deposit, any loan or deposit taken or accepted earlier by such person from such depositor is remaining unpaid and such unpaid amount along with the loan or deposit to be accepted, exceeds the aforesaid limit.

For example: - If A has a balance of a loan of Rs. 19,500/- from B. Now, in this case A cannot take loan in excess of Rs. 499/- from B except with an Account Payee Cheque or account payee bank draft or use of electronic clearing system through a bank account.

5. The members of the Managing Committee of the Society & the departmental Supervisory staff will be responsible for ensuring compliance of these instructions. The members of the Managing Committees of the PACS and NATC's will be responsible to ensure that no unauthorized person handles cash and the authorized person shall not transact in cash beyond the limit as fixed hereinabove. If any misappropriation or embezzlement takes place due to their negligence in control, the resultant loss will be made good from the delinquents as per Arrears of Land Revenue. In the case of departmental supervisory staff such negligence will attract strict disciplinary action against them as per the service rules.

Other instructions issued in this behalf in the past will, however, remain in vogue.

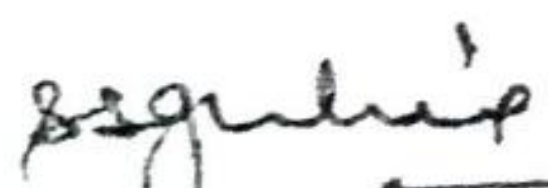

(Dr. S.S. Guleria, IAS)
Registrar Cooperative Societies,
Himachal Pradesh

No. No. 5-60/91-Coop. (C&M)-IV

Dated: Shimla-09, the 03 September, 2020

Copy to:-

1. The Secretary (Cooperation) to the Govt. of H.P. for information please.
2. The Additional Registrar Cooperative Societies, Shimla and Dharamshala for information.
3. The Additional Registrar Cooperative Societies, (Monitoring) for information.
4. The Joint Registrar Cooperative Societies (Credit/Mktg.) for information.
5. The Deputy Registrar Cooperative Societies Shimla, Mandi and Dharamshala for information and necessary action.
6. All the Assistant Registrar Cooperative Societies H.P. for strict compliance. They are directed to bring the above directions to the notice of all PACS/NATC's functioning under their respective jurisdictions.
7. Legal Cell of this Directorate for information.
8. Dealing Assistant dealing with I.T. Directorate of Cooperation with the direction to up-load the above directions on official Website of the department.
9. The Secretary HIMCOFED for publication in "Sehkar Darpan".


(Dr. S.S. Guleria, I.A.S.)
Registrar Cooperative Societies,
Himachal Pradesh