

Directorate of Cooperation  
Himachal Pradesh

No.5-41/2013-Coop(C&M)

Dated Shimla-9 13.5.2014

**ORDER**

Whereas, this directorate had issued instructions to field functionaries in the year 1982 advising them not to register any new primary agricultural cooperative credit society(PACS) unless clearance is obtained from the Registrar Cooperative Societies H.P in that behalf. Thus, after 1982 the formation/registration of PACS in the state could not take place ;

Whereas, the issue of registration of new PACS at Village/Panchayat level had been drawing attention of the department for quite some time. The requests/representations were also received in the past from public as well as field functionaries of the department to allow formation and registration of new PACS in the state;

Whereas, the issue was also examined legally by the department and it was observed that the restrictions imposed by this office on registration of PACS in 1982 needs to be revoked/revamped to strengthen Coop. Credit structure at grass root level;

Whereas, even the Constitution (97<sup>th</sup> Amendment) Act, 2011 under Article 43 B provide for promotion of voluntary formation, autonomous functioning, democratic control and professional management of cooperative societies by the states. Further, right to form cooperatives has been made a Fundamental Right under Article 19 of the Constitution;

Whereas, the department vide letter of even No. dated 5-09-2013 sought guidelines on the matter from NABARD to facilitate formation /registration of new PACS in the state;

Whereas, the NABARD vide letter No. NBHPRO/Coop-06/2013-14 dated 15-10-2013 has reiterated the recommendations of the All India Rural Credit Survey Committee vis-a-vis the reorganization of primary rural credit society to cover a group of villages with large number of membership;

Whereas, in view of above it has been deemed expedient to issue fresh guidelines for the registration/reorganization of PACS in the State;

Now , therefore, I R.D. Nazeem, Registrar Cooperative Societies Himachal Pradesh in pursuance of rule 152 of the H.P. Cooperative Societies Rules, 1971 do hereby revoke/revamp the instructions issued in 1982 referred above and issue new instructions /guidelines in tune with the recommendations of All India Rural Credit Survey Committee mutatis mutandis to facilitate formation of new PACS in the State as under:-

**(1) Definitions**

'Society' or Societies means Primary Agriculture Cooperative Credit Society (PACS) which term shall also include multipurpose and agriculture service societies (CMPs) functioning in the rural areas.

**(2)Membership and Area of operation of PACS/CMP**

- (a) The membership in a cooperative society should not be too large and area of operation should be compact. Maximum number of families covered should be 600 families or about 2500 persons.

- (b) Regarding the restriction on the distance of villages to the society headquarters, it should not be more than 4 Kms.
- (c) The minimum number of families/persons for formation of society shall be as specified in section 7(2)(b) of the H.P. Cooperative Societies Act, 1968.
- (d) The other terms and conditions of membership of individuals shall be fulfilled as specified in Rule 11, 12,13 &14 of the H.P. Cooperative Societies Rules,1971.
- (e) The area of operation of proposed PACS/CMP should not overlap the area of operation of existing PACS/CMP, if any, in the region.
- (f) PACS/CMP those require amalgamation, transfer of assets and liabilities , conversion and division, the procedure shall be followed as envisaged under section 14 of the H.P. Cooperative societies Act,1968 and instruction issued by this directorate from time to time.
- (g) Area where new PACS/CMPs are to be registered / organized financial assessment in each case shall be made and conveyed to the promoter members. However, this will not infringe their right of forming a cooperative society.

**(3) Bye laws of PACS/CMP:-**

PACS/CMP shall make bye-laws in respect of the matter as specified in rule 9 of the H.P. Cooperative Societies Rules,1971.

**(4) Registration of PACS/CMP:-**

The Registration Authority for registration of PACS/CMP shall be as specified in section 3 of the H.P. Cooperative Societies Act,1968. The registration authority shall ensure registration of PACS/CMP as per provisions of sections 4, 5, 7 & 8 of the Act, ibid and Rule 4,5,6,7 of H.P. Cooperative Societies Rules ,1971.


**(4) Share Capital and Admission fee.**

- (a) Value of one share –Rs. 500/-
- (b) Minimum share capital –Rs. 20,000/-
- (c) Admission fee- Rs. 10/-
  - (i) Notwithstanding anything contained in para 4 above, wherever, the registration authority feels that the society for executing its functions needs higher outlay in terms of share capital as against the norms specified above, he/she may, for ensuring viability of the proposed society, fix ,for reasons to be recorded in writing, such norm(s) as he /she may deem appropriate for the smooth functioning of that society. However, the restrictions on holding of shares shall be ensured as per section 6 of the H.P. Cooperative Societies Act,1968.
  - (ii) The specified norms of minimum share value, share capital and admission fee should be applied in all cases. However, wherever members of weaker sections, scheduled casts/

scheduled tribe seek registration of cooperative society and are unable to meet the specified share capital requirement; they may be assisted through the State or Central Assistance Plan scheme of share subsidy for enrolment as members to the extent possible under the scheme.

(iii) In case of the societies already registered where share capital contribution of members, is less than the norms specified at para 4 above, efforts may be made to persuade such PACS/CMP to seek members' share contribution to attain at least these levels.

(iv) These orders shall come into force with immediate effect.

  
(R.D. Nazeem)IAS

Registrar Cooperative Societies  
Himachal Pradesh


Ph. No. 0177-2620970

Dated Shimla-9 13.5.2014

Endst. No.5-41/2013-Coop(C&M)

Copy to:-

1. The Additional Chief Secretary (Coop) to the Govt. of H.P for information please.
2. The Chief General Manager NABARD, block No. 32 SDA Complex Kasumpti Shimla - 9 for information please.
3. The Additional Registrar Cooperative Societies Dharamshala/Admin/Mon H.P. for information and necessary action.
4. All the Deputy Registrars, Cooperative Societies in H.P. for information and necessary action.
5. All the Joint Registrars Cooperative Societies in H.P for information and necessary action.
6. All the Assistant Registrars Cooperative Societies in H.P. for information and necessary action.
7. All Branch Officers and legal cell of this Directorate for information and necessary action.
8. The Secretary HIMCOFED Shimla-4 for publication in Sahkar Darpan.
9. Guard file/departmental website.

  
(R.D. Nazeem)IAS

Registrar Cooperative Societies  
Himachal Pradesh

Ph. No. 0177-2620970