

Directorate of Co-operation,
Himachal Pradesh.

No. 5-13/2008-Coop. (C&M)-V-

Dated: 27-03-2023

DIRECTIVE

1. Whereas, the Government of India, Ministry of Co-operation (CTP/IT Division), in order to increase the viability of Primary Agriculture Credit Societies (PACS) and diversify their business activities to make them vibrant economic entities at village level has drafted Model Bylaws for PACS after consultation with the representatives of NABARD, State Co-operative Banks, VAMNICOM, NCCT and considering the suggestions/ inputs received from States/ Union Territories and other stake holders;
2. whereas, these Model Byelaws of PACS will enable them to undertake more than twenty five business activities which, inter alia, include dairy, fishery, setting up of godowns, procurement of foodgrains, fertilizers, seeds, LPG/ CNG/ Petrol/ Diesel distributorship, short term and medium term credit, custom hiring centers, custom service centers, Fair Price Shops, community irrigation, Business Correspondent activities, Common Service Centre etc;
3. whereas, in order to achieve the vision of "Sehakar-se-Samridhi" and "Atamanirbhar Bharat" by strengthening the PACS at ground level, the Government of India, Ministry of Co-operation (CTP/IT Division) vide its letter dated 5th January, 2023 has requested to circulate the Model-Bye-Laws to all the PACS with suitable modifications as per the relevant State Co-operative Societies Act/ Rules, as applicable to the State/ Union Territory, for their adoption by the society concerned;
4. whereas, in sequel to above, this office vide letter dated 7th January, 2023 circulated these Model-byelaws to all the PACS functioning in the State through the concerned Assistant Registrar Co-operative Societies for their consideration/ suitable modification as applicable to the State for their adoption by the society concerned, but till date no response/ compliance has been reported from any quarter concerned;
5. whereas, in view of above, it has been thought proper and expedient to examine these model byelaws as per the H.P. Cooperative Societies Act and the rules made thereunder along with the bye-laws of the PACS of the State so as to make suitable modifications in the Model Byelaws as per the relevant state laws;
6. whereas, with a view to increase efficiency of PACS, the Govt. of India has launched a scheme for computerization of PACS by

providing necessary financial assistance for which a common software at National level is being designed, this will also require suitable amendment in the bye-laws so as to provide for adoption of common accounting system through computerization by the PACS;

7. whereas, the common accounting system and common software will not be helpful for smooth functioning of the PACS but will also be helpful for the department in monitoring the working of the PACS;

8. whereas, the model byelaws as drafted by the GOI provide for multifarious activities which a PACS may undertake, this will help the PACS in diversifying its business activities without carrying out amendment in the byelaws on each time as hereinbefore, the PACS in the absence of such business activity in its byelaws, were required to carry out amendment in the byelaws for undertaking any new business activity;

9. Whereas, after examination of these model byelaws, it has been observed that the byelaws of all the PACS registered in the State are almost identical which interalia provide for all the subject matters covered in the draft model byelaws of Govt. of India except the following which are necessary for adoption by the PACS of the State in order to increase their viability and diversify their business activities to make them vibrant economic entities at village level:-

I. "OBJECTIVES OF THE SOCIETY

The Objectives of the Society shall be:-

1. To Provide to its members timely and adequate Short and Medium term credit for development of backward and forward activities related to agriculture and its products, loan for vehicles for agricultural purpose like tractors etc, loan for consumption or medical purpose against collateral/pledge financing like commodities/ bonds/securities, etc. while maintaining financial norms (like credit worthiness and for securing the given loan) in the area of operation through share capital, deposits and borrowings from any financial institutions approved/supported by of State Government and its organization;
2. To promote and develop backward linkages (such as demonstration plots, irrigation facilities, manure, fertilizers, improved seeds/seed production, custom hiring centre, farm machineries/implements, insecticides, other inputs etc); forward linkages (such as collection, grading, cleaning, packaging, branding and marketing, storage [godown and cold storage], processing, value chain [transport, logistics, refrigerated van, etc], for the agriculture produce & its products (such as field crops, fruits & vegetables, floriculture, dairy activities, fisheries/shrimp farming, poultry, beekeeping, sericulture plantation, sheep, goat, rabbits, piggery and any other land/sea based agriculture related activities and their processing), by way of technical and financial support to its members in the area of operation of the Society;
3. To facilitate or make arrangements or to collaborate with any local bodies/Governments/Departments/Universities/Societies/Companies for achieving its objectives for the benefit of Society and its members;

4. To engage in service or business operations (like infrastructure development, community centre, hospital, education institutions, procurement of food grains, Fair Price Shop, or any Government scheme, Dealership/agency/Distributorship or supply of LPG/Petrol/Diesel/Green energy/farm or household consumables and durables/farm machineries, training of members for skill improvement, etc.) which may enhance the facilities and income of Society or its members;
5. To set up or arrange for Locker facilities with the permission of concerned Cooperative Bank;
6. To collect socio-economic, financial and business-related information of all members and non-members in the area of operation which may strengthen policy framework, development of agriculture or related business or developmental plan and is also beneficial to all the stakeholders in the area of operation;
7. To demonstrate, promote and develop the latest technologies or extension activities related to agriculture and its allied activities for enhancing the income of the Society and its members;
8. To educate its members & their families (particularly youth and women) and Management and staff about Cooperative Principles, values and actions which may promote social harmony and economic benefits for all the stakeholders in the area of operation by way of organizing training, exposure visits or capacity building programmes;
9. To act as an agent or Bank Mitra/Business Correspondent/Business Facilitator for the Financial/Banking Institutions;
10. To act as an agency for implementation of social security scheme for its members and to provide micro insurance/insurance;
11. To focus on and encourage the inclusion of youth and women in the cooperative based activities in the area of operation;
12. To provide community-based services in the fields of education (school, college), health (hospital, dispensary, clinical laboratory, ambulance service), tourism and environmental and sustainable development activities;
13. To participate in Government Schemes for providing services through Direct Benefit Transfer (DBT) to beneficiaries in the area of operation;
14. To act as a source of information/data centre to be used by the Government for various purposes;
15. To act as a Common Service Centre for facilitating on-line/digital services in the area of operation;
16. To undertake marketing and similar activities both inside and outside its area of operation for the benefit of the members of the Society.
17. To own land, building godowns, processing units and other such necessary assets;
18. To undertake such other activities as are conducive and incidental to the attainment of the above objects and as approved by the General Body for the benefit of the members and Society.

II. SERVICES OF THE SOCIETY

The services or business facilities in which the Society can engage itself, keeping in view the above objectives, are as follows;

- 1) Any activity related to backward & forward linkages of agricultural produces and its products to support its members;

- 2) Loan facilities as per agriculture production and its processing activities, household consumption-based requirement of members subject to necessary regulatory approval from the concerned authority;
- 3) Any asset creation or arrangements or setting up of subsidiaries which may be beneficial to the Society and its members for production, collection, processing and marketing of the product;
- 4) To engage in services or business operations like supply of consumer durables, etc;
- 5) To research, promote, demonstrate innovative technology and extension work (including soil and agri-products testing) and its allied activities`;
- 6) Awareness creation, capacity building programmes, skill development, fairs and exhibitions or any extension related works;
- 7) Collaboration with Government Departments /Universities/ Start-ups /Industries in public and private sector and its associations/ multilateral agencies with necessary approval from the concerned Government which is beneficial to the Society and its members;
- 8) To provide services in online mode to the extent possible. To maintain its own website;
- 9) Other business or financial supports necessary and required to fulfil the objectives.

III. MAINTENANCE OF BOOKS AND ACCOUNTS AND REGISTERS

- 1) The following registers and books shall be maintained by the Society:
 - A. Books related to financial statements**
 - a) Cash book
 - b) Bank book
 - c) Day book
 - d) General ledger
 - e) Subsidiary ledger
 - f) Share capital ledger
 - g) Deposit ledger – Saving Bank, Fixed Deposits, Recurring Deposits, Reinvestment Deposits
 - h) Borrowing ledger – Short Term, Medium Term
 - i) Member loan ledger – Short Term, Medium Term (Agriculture and Non-farm)
 - j) Sundry creditor ledger
 - k) Furniture, fixture and office equipment register
 - l) Land and building register
 - m) Depreciation chart register
 - n) Stock register
 - o) Purchase register
 - p) Sales register
 - q) Safe deposit locker operation register
 - r) Gold loan ledger
 - s) Sundry Debtors ledger
 - t) Suspense asset ledger
 - u) Suspense liability ledger
 - v) Dividend register
 - B. Books not related to Financial Statement**
 - a) Copy of the Society Byelaws
 - b) Act and Rules of the State with up-to-date amendments incorporated

- c) Copies of other laws and regulations of the business undertaken by Society
 - d) Membership register
 - e) Up to date register and list of all members
 - f) Register showing member wise patronage of various services provided by the Society
 - g) Minute book
 - h) Account opened and closed register
 - i) Due debt register for maturity of term deposits
 - j) Monthly interest payment register
 - k) Insurance policy and renewal register
 - l) Gold stock register
 - m) Register for acknowledgement of debt
 - n) Balancing register
 - o) Inoperative deposit account register
 - p) Borrowing due date register
 - q) Investment and maturity register
 - r) Pledged stock register
 - s) Suits filed register
 - t) DCS register
 - u) Overdue/NPA register
 - v) Copies of the audit report, inquiry report or inspection report and compliance thereon
 - w) Members' Land record register
 - x) Staff attendance register
 - y) Staff service rules
- 2) The books, records and registers of the Society shall be kept in the custody of the Secretary/Manager or such other Officer as the Managing Committee may authorize in the absence of Manager/Secretary.
 - 3) In the absence of Manager/Secretary, the Managing Committee shall specify the officer of the Society who shall:
 - a) Maintain books of accounts;
 - b) Keep custody of case and stores;
 - c) Keep other books and registers; and
 - d) Prepare returns and financial statement.

Provided that a person assigned with keeping of accounts shall not be in charge of case.
 - 4) The books and accounts and other records shall be open for perusal by any members of Managing Committee during business hours of Society.
 - 5) Copies of the Act & Rules of the State, the Byelaws, minute book pertaining to general body meeting, report and compliance thereon of Audit, Inquiry or Inspection, voter list shall be made available to any member during business hours at a fee to be decided by the Managing Committee
 - 6) The Society shall maintain such accounts and other matters related to accounts in such form and manner as may be directed by the authority competent to do so under the Cooperative Societies Act/Rules.
 - 7) The Society shall prepare and submit such returns and statements as the concerned authority may require from time to time.
 - 8) The Society shall use the Common Accounting System as is being implemented through computerization of PACS project, designed by NABARD.
 - 9) The Managing Committee of the society shall fix the maximum borrowing power of Society in consistence with these Byelaws/Rules/Act;

- 10) The Managing Committee of the society shall fix the maximum credit limit for each member provided that such limit shall not be more than that laid down by the Registrar from time to time;

IV. PROMOTION OF SUBSIDIARY ORGANISATION:

1. The Society may, by a resolution passed at General Body Meeting by a majority of members present and voting, promote subsidiary organisations such as FPO (Farmer Producer Organization) with 100% funding from Society for the furtherance of its stated objectives, and such organisations may be registered under any law for the time being in force, as approved by the General Body.
2. The Society, may invest, by way of 100% subscription in the aggregate paid-up share capital and reserves in the subsidiary organisation.
3. Any subsidiary organisation created shall exist for only as long as the General Body of the Society deems its existence necessary.
4. The subsidiary organisation can be dissolved or liquidated in following manners;
 - a. After approval of 2/3rd members voting in its favour with at least 50% members present in the General Body, or
 - b. Direction of Registrar for winding up of the subsidiary organisation in the interest of the members or public at large.
5. The annual reports and accounts of any such subsidiary organisation shall be placed every year before the General Body Meeting of the Society.
6. The Society shall maintain a register containing particulars of all the investments, showing the names of the societies/companies in which shares have been acquired, number and value of shares; the date of acquisition; and the manner and price at which any of the shares have been subsequently disposed of.
7. The register referred to in sub-section (6) shall be kept at the registered office of the Society and the same shall be open to inspection by any Member who may take extracts there from."

10. Now, therefore, I Rajesh Sharma, Registrar Co-operative Societies, Himachal Pradesh in pursuance to the provisions of Rule 152 (1) of the H.P. Co-operative Societies Rules, 1971 do hereby direct all the primary agricultural co-operative credit societies (PACS) functioning in Himachal Pradesh to amend their bye-laws to the extent that the bye-laws shall provide for the matters reproduced under para-9 supra in the interest of their smooth and beneficial running so as to increase their viability and diversify their business activities to make them vibrant economic entities at village level. For this purpose, all the PACS of the state shall convene a special general body meeting of the society within two months from the issuance of this directive and after ratifying the decision to incorporate above said amendments in the bye-laws in the general body meeting shall send the same for approval of the concerned Assistant Registrar immediately.


Registrar Co-operative Societies,
Himachal Pradesh.

Endst. No. 5-13/2008-Coop. (C&M)-V-
Copy to:-

Dated:- 27-03-2023

1. All the Deputy Registrar, Cooperative Societies in Himachal Pradesh.
2. All the Assistant Registrar Cooperative Societies in Himachal Pradesh with the direction to ensure compliance of the above said directive in letter as well as in spirit and to depute the Inspectors to attend the special general meeting of the PACS to be convened for the purpose.
3. Secretary, HIMCOFED for publicity amongst the PACS of the State and to publish the directive in the "Sehkaar Darpan".



Registrar Co-operative Societies,
Himachal Pradesh.