



ABSTRACT

Cooperation - Interest Free Loan to Scheduled Castes / Scheduled Tribes Members of Urban Co-operative Banks towards Additional Share Capital to enhance their borrowing power - Sanctioned - Orders Issued.

Co-operation, Food and Consumer Protection (CP2)Department

G.O.(Ms) No.28

Dated 20.02.2015

ஜெய வரட்டம், மாசி 8
திருள்ளூவர் ஆண்டு 2046

Read:

1. G.O.(Ms.)No.23, Co-operation, Food and Consumer Protection Department, dated 21.02.2014.
2. From the Registrar of Co-operative Societies letter Rc.No.64903/2014/UB2, dated 15.9.2014.

ORDER:-

The Urban Cooperative Banks are providing credit facilities to people living in Urban and Semi Urban areas. These banks are providing credit facilities to small traders, artisans, middle and professional classes of people. Besides, they also provide loans for carrying out repair or additions to houses, discharge of prior debits, education of children and establishment of small and cottage industries.

2. The Registrar of Co-operative Societies has stated that Reserve Bank of India has stipulated the following norms for linking share holding to the borrowing at members level:-

- a) 5% of loan amount in case of unsecured loans.
- b) 2.5% of the loan amount in case of secured loans.

3. The Registrar of Co-operative Societies has requested that the Government may sanction an interest free loan of Rs.5.00 lakhs (Rupees Five lakhs only) under this scheme to assist 1000 Scheduled Castes / Scheduled Tribes members of Urban Cooperative Banks at Rs.500/- each to enable them to contribute to share capital to enhance their borrowings. The financial assistance will be sanctioned in the form of interest free loans to enhance the borrowing power of such members subject to the following conditions:-

- a) The interest free loan shall be sanctioned to the 1000 Scheduled Castes / Scheduled Tribes members of Urban Cooperative Banks who have to remit additional share capital to get their loan requirements sanctioned by Urban Cooperative Banks.
- b) The Quantum of interest free loan shall be fixed at Rs.500/- per member and credited to the share capital account of such members maintained in the bank.
- c) The loan shall be repayable in 5 equal annual installments at Rs.100/- per year commencing from the succeeding year in which the loan is sanctioned and disbursed.

4. Accordingly, the Government sanction a sum of Rs.5.00 lakh (Rupees Five lakhs only) towards interest free loan to 1000 Scheduled Castes / Scheduled Tribes members of Urban Cooperative Banks at Rs.500/- each for enabling them to invest in the shares of the Urban Cooperative Banks in 2014-2015 and to raise loan from the banks, subject to the conditions stipulated in para 3 above.

5. The expenditure sanctioned at para 4 shall be debited to the following head of account:-

“ 6225 - Loans for welfare of Scheduled castes / Scheduled Tribes and other Backward classes – 01 - Welfare of Scheduled castes – 800 - other loans – Schemes in the Twelfth Five Year Plan - II - State Plan – JE - Interest Free Loans to Scheduled castes members of Cooperative Societies and Institutions controlled by Registrar of Cooperative Societies – 02 - Loans to Scheduled Caste Members of Co-operative Bank towards additional share capital”.
(DP Code No.6225 01 800 JE 0209)

6. The Registrar of Co-operative Societies is authorized to draw and disburse the amount through the Tamil Nadu State Apex Co-operative Bank to the concerned Urban Cooperative Banks for crediting the said amount into the share capital of the concerned members.

7. The Registrar of Co-operative Societies is directed to intimate date of drawal of the Loan sanctioned in paragraph 4 above directly to Finance (L&A cell) Department.

8. This order issues with the concurrence of Finance Department vide its U.O.No.6113/CF&CP/2015-1, dated 16.2.2015 and loan sanction ledger No.41/2014-2015.

(BY ORDER OF THE GOVERNOR)

MD.NASIMUDDIN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Registrar of Co-operative Societies, Chennai-600 010.
The Principal Accountant General, Chennai-600 018.
The Accountant General (Audit) Chennai - 600 018.
The Pay and Accounts Officer (South) Chennai-600 035.
The Finance (CF&CP/BGI/L&A Cell) Department,
Chennai 600 009.
The Planning Development and Special Initiatives Department,
Chennai 600 009.

Copy to:-
The P.A. to Hon'ble Minister for Co-operation, Chennai 600 009.
SF/SC.

/FORWARDED / BY ORDER/

B. Jayal
SECTION OFFICER

[Signature]
25.02.15

**ANNEXURE TO G.O.(Ms).No.28, Co-operation, Food and Consumer
Protection Department, Dated 20.2.2015**

**LOANS SANCTIONED BY GOVERNMENT OF TAMIL NADU
LOAN SANCTIONED LEDGER No.41/2014-15**

1	Name of the Borrower	: Scheduled Castes / Scheduled Tribes members of Urban Co-operative Banks
2	HOD Controlling the Borrower	: Registrar of Co-operative Societies Chennai - 600 010.
3.	Amount sanctioned	: Rs.5.00 lakhs (for 1000 members @ Rs.500/- each)
4.	Sanction valid upto	: 31-03-2015.
5.	Purpose of loan	: To extend Financial Assistance to the Scheduled Caste / Scheduled Tribe Members of Urban Co-operative Bank in the form of interest free share capital loans to enhance their borrowing power.
6.	Payable in cash or Adjustment	: Cash
7.	Demand No. Sub Head, detailed Head under which loan is sanctioned (Both outgo and Receipt)	"6225 Loans for welfare of Scheduled castes / Scheduled Tribes and other Backward classes – 01 Welfare of Scheduled Castes – 800 other loans – Schemes in the Twelfth Five year Plan - II State Plan – JE Interest Free Loans to Scheduled castes members of Co-operative Societies and Institutions controlled by Registrar of Cooperative Societies - 02 Loans to Scheduled castes members of Co-operative Banks towards additional share capital". (DP Code No.6225 01 800 JE- 0209)(Outgo) DPC 6225 01 800 JE 020 B (Receipt)
8.	Repayment Period	: Repayable in 5 equal annual installments commencing from the year succeeding the year in which the loan is sanctioned

9.	Moratorium towards repayment if any	:	1 year
10.	Date on which repayment is to commence	:	Repayment has to commence from the year succeeding the year in which the loan is sanctioned.
11.	Mode of repayment	:	5 equal Annual Installments
12.	Interest	:	Nil
(a)	Normal rate (Subject to orders of Government on fixing of rate of interest for the financial year)	:	Interest Free Loan
(b)	Penal rate of Interest	:	Not Applicable
(c)	Mode of recovery of interest	:	Not Applicable
13	The Head of Account to which interest has to be credited	:	Not Applicable
14.	G.O.No. and Date	:	G.O.(Ms).No.28, Co-operation, Food and Consumer Protection (CP2) Department, dated 20.2.2015.

/FORWARDED / BY ORDER/


SECTION OFFICER

5/2
25.02.15