



ABSTRACT

Co-operation – Waiver of Crop Loan, Medium Term (Agriculture) Loan and Long Term (Farm Sector) Loan issued to the small and marginal farmers by the Cooperative Societies outstanding as on 31.3.2016 – Guidelines – Orders Issued

Cooperation, Food and Consumer Protection (CC1) Department

G.O. (Ms) No.59

Dated:28.06.2016

துன்முகி வருடம் ஆனி 14,
திருவள்ளூர் ஆண்டு 2047

Read:

1. G.O. (Ms) No.50, Co-operation, Food and Consumer Protection Department, dated 23.5.2016
2. From the Registrar of Co-operative Societies letter Rc. No 36363/ 2016 ACS1 dated 9.6.2016.

ORDER:

In the Government order first read above, orders have been issued for waiver of outstanding Crop Loan, Medium Term (Agriculture) Loan and Long Term (Farm Sector) Loan issued to the small and marginal farmers by the Cooperative Societies as on 31.3.2016. It was also ordered that the detailed guidelines in this regard will be issued separately.

2. In the reference second read above, the Registrar of Co-operative Societies has proposed for guidelines for waiver of Crop Loan, Medium Term (Agriculture) Loan and Long Term (Farm Sector) Loan payable by the small and marginal farmers to the Cooperative Societies for approval of the Government.

3. The Government, after careful examination, accepts the proposal of the Registrar of Co-operative Societies and accordingly, orders that the guidelines as detailed in the annexure to this order be followed scrupulously for implementation of the scheme.

4. The Registrar of Co-operative Societies is requested to send a consolidated proposal to the Government for issuing necessary specific orders on quantification and reimbursement of waived amount at the earliest.

5. This order issues with the concurrence of the Finance Department vide its U.O No.2062/ACS(F)/P/16, dated 28.06.2016.

(By order of the Governor)

PRADEEP YADAV

PRINCIPAL SECRETARY TO GOVERNMENT

To

The Registrar of Co-operative Societies, Chennai-10.

The Managing Director, Tamil Nadu State Apex Cooperative Bank, Chennai-1.

The Managing Director, Tamil Nadu Co-operative State Agriculture and Rural Development Bank, Chennai-4.

Copy to:

The Principal Secretary II to the Hon'ble Chief Minister, Chennai-9

The Special P.A. to Hon'ble Minister (Cooperation), Chennai-9.
The Special P.A. to Hon'ble Minister (Finance, Personal Administrative and Reforms), Chennai-9.
The Private Secretary to the Additional Chief Secretary, Finance Department, Chennai-9
The Private Secretary to the Principal Secretary to Government, Co-operation, Food and Consumer Protection Department, Chennai-9.
The Agriculture Department, Chennai-9.
The Finance (CF&CP) Department, Chennai-9
Stock file / Spare copy.

// Forwarded by order//

A. Sharfudeen Begum
SECTION OFFICER 28/6/16.
28/6/16

**Annexure to G.O.(Ms) No.59, Cooperation, Food and Consumer Protection
Department, dated 28.6.2016.**

Guidelines to Co-operative Institutions on the waiver of Agricultural Loans

1. The agricultural loan waiver scheme will be applicable to the farm sector loans issued by the following Cooperative Societies/Banks;
 - (i) Central Cooperative Banks (CCB),
 - (ii) Primary Agricultural Cooperative Credit Societies (PACCS) (including Large sized Multi Purpose Co-operative Societies (LAMPS), Growers Co-operative Credit Societies, Rural Co-operative Credit Societies, Farmers Service Cooperative Societies),
 - (iii) Primary Cooperative Agriculture and Rural Development Banks (PCARDB),
 - (iv) Urban Co-operative Credit Societies (UCCS) converted from Primary Agricultural Cooperative Credit Societies (PACCS).

2. Entire agricultural loan outstanding including Principal, Interest, Penal Interest and all other charges in respect of Small and Marginal Farmers as on 31.03.2016 for the following categories of agricultural loans in the Cooperative Societies will be waived:-
 - (i) Short Term Crop loan
 - (ii) Short Term agricultural crop loans issued with the pledge of jewels [Jewel Loan- Agri]
 - (iii) Short Term Crop loans which are converted as Medium Term loans (M.T. Conversion)
 - (iv) Medium Term Agriculture loans
 - (v) Long Term Farm Sector loans

3. The classification of farmers as small and marginal farmers for the purpose of the scheme would be the same as recorded in the landholding register and loan register at the time of sanction of agricultural loan. It is reiterated that 'small farmer' means those farmers having total landholding of size ranging from 2.5 acres to 5 acres and 'marginal farmer' means those farmers with landholding of up to 2.5 acres.

4. This scheme will not be applicable to those cases covered under statutory enquiry, misappropriation, criminal action and surcharge action initiated under sections 81, 82 and 87 respectively of Tamil Nadu Cooperative Societies Act 1983 and Rules 1988. In such cases, the benefit of waiver will be extended to the farmers based on outcome of enquiry.

5. This Scheme is not applicable to the loans which are proved to be Benami loans or loans given on bogus or fabricated or unauthenticated documents.

Method of Calculation:

6. The agricultural loan inclusive of principal, interest, penal interest and all other charges outstanding as on 31.3.2016 shall be consolidated as on 1.4.2016 in respect of each eligible member under this scheme. This consolidated amount should be the total amount waived under this scheme. Out of this consolidated amount, the amount relating to principal and interest alone should be shown as the amount due from Government in respect of the concerned member as on 1.4.2016. Similarly, the above method of calculation shall be followed at Central Co-operative Banks, Tamil Nadu State Apex Co-operative Bank and Tamil Nadu Co-operative State Agriculture and Rural Development Bank.
7. For the Agricultural loans, subsidy received, if any, under any Government Scheme shall be deducted and the remaining amount only will be waived.
8. Jewel Loans (Agri) i.e., crop loan availed by pledging the jewels for cultivation in the specific field based on Chitta/patta document alone, are only eligible for waiver and jewel loans issued for non-agricultural purposes are not eligible.
9. All the eligible outstanding loans as on 31-03-2016, in the Cooperative Institutions listed in Sl.No:1 above, including Principal, Interest, Penal Interest and all other charges are waived. No further interest or any other charges shall be charged for the above loan from 1-4-2016 from farmers or by higher institutions from the affiliate institutions with effect from 1.4.2016. If already charged, it should be reversed in books of accounts.
10. Only the principal and interest outstanding as on 31.03.2016 should be shown as due from the Government as on 01.04.2016. Penal interest and all other charges shall be borne by the respective Co-operative Societies.
11. Government will release the Principal and Interest component of the waived amount in a phased manner to the Cooperative Institutions. The Cooperative Institutions shall adjust such released amount on pro-rata basis against the amount due from the Government.
12. The share capital paid by the farmer, whose loan has been waived, may be utilized for issuing fresh loan to the same farmer by the Cooperative Institutions. On any account, the share capital should not be refunded. The higher financing institutions should also follow the similar approach.
13. The procedure detailed below regarding the verification and consolidation of loans shall be followed;

a. Short and Medium Term Loans

- (i) A list of all the eligible loan accounts of the members shall be prepared in both soft copy (in MS excel format) and hard copy by the Secretary of the Society without any omission. Loans availed by producing duplicate or unauthenticated documents or forged documents or on binami name etc., shall be strictly excluded from the list. The Secretary of the Society shall prepare the list and verify and place it in the Board for approval.

- (ii) The Circle Supervisor/Field Manager of CCB and Field Officer (Cooperation) / Co-operative Sub-Registrar (CSR) shall verify the list prepared as above and certify the same and submit it to the Managing Director, Central Co-operative Bank.
- (iii) For Agriculture loans directly issued by the Central Co-operative Bank, a list shall be prepared by the Branch Manager/Field Manager and the same shall be verified by the Assistant General Manager and submitted to the Managing Director of Central Co-operative Bank. Necessary resolution shall also be obtained in the Board.
- (iv) All the society-wise lists received as above shall be thoroughly verified in field by the 3 member Committee, constituted by the Regional Joint Registrar, which shall also include the employees of the District Co-operative Bank. In addition, Regional Joint Registrar should draw officials from other districts and arrange to get super checked a minimum of 10 % of the loans in each Society. The verified lists in the prescribed format shall be submitted within a month to the Managing Director of Central Co-operative Bank through the Deputy Registrar concerned. The consolidated list for the entire district shall be countersigned by the Managing Director of Central Co-operative Bank and Regional Joint Registrar before submitting to the Tamil Nadu State Apex Co-operative Bank (TNSACB).
- (v) Tamil Nadu State Apex Co-operative Bank (TNSACB) shall consolidate the lists submitted by the Central Cooperative Banks and shall forward to the Registrar of Co-operative Societies.

b. Long Term Loans

- (vi) A list of outstanding loans as on 31.03.2016 of the eligible debtors for availing waiver of long term farm sector loan announced by the Government shall be prepared in both soft copy (in MS excel format) and hard copy by the Secretaries of the Primary Co-operative Agriculture and Rural Development Bank concerned. Loans availed by producing duplicate or unauthenticated or fabricated documents or loans availed on binami names, etc., shall be excluded from the list.
- (vii) The list shall be verified and signed by the Secretary of Bank concerned and necessary resolution shall be obtained in the Board. This waiver proposal so prepared will be sent to Regional Joint Registrar.
- (viii) The Regional Joint Registrar shall get verified in field the waiver proposal received from the Primary Co-operative Agriculture and Rural Development Banks by constituting a committee under the chairpersonship of Field Officer (Co-operation)/Co-operative Sub-Registrar. This committee shall also include an employee from

Primary Co-operative Agriculture and Rural Development Bank/ Tamil Nadu Co-operative State Agriculture and Rural Development Bank (TNCSRDB). In addition, Regional Joint Registrar should draw officials from other districts and arrange to get super checked a minimum of 10 % of the loans in each PCARDB.

- (ix) The verified list shall be sent to Tamil Nadu Co-operative State Agriculture and Rural Development Bank (TNCSARDB). The verified list shall also be shared with Primary Co-operative Agriculture and Rural Development Banks concerned.
- (x) Tamil Nadu Co-operative State Agriculture and Rural Development Bank (TNCSARDB) shall send a consolidated proposal to the Registrar of Co-operative Societies along with the district wise list of eligible cases.

Furnishing list to Cooperative Audit Department

- 14. The final list will be furnished to the Co-operative Audit Department by the Registrar of Co-operative Societies for auditing and suitable proposal will be sent to the State Government by the Registrar of Co-operative Societies, after due vetting by the Co-operative Audit Department.

Fund Distribution Method:

- 15. The Government of Tamil Nadu will release the total amount of principal and interest outstanding as on 31.03.2016 to the Co-operative societies in a phased manner along with interest over five years. For the refinancing amount due to NABARD, the interest rate charged by the NABARD for such refinancing will be paid by the Government. In case of own funds or funds provided by the higher level Cooperative institutions like CCB, TNSAC Bank, TNCSARDB, an interest rate of 8 % will be applied provided that no interest subvention or Central Government interest subvention is availed after 31.03.2016 on the loans waived off. If so, to that extent, the due amount will be reset or adjusted.
- 16. The amount released by the Government in installments towards waiver of above eligible loans shall be appropriated at all levels in pro-rata i.e. in proportion of the amount received from the Government as below:-

$$\frac{\text{Quantum of amount released by the Government} \times 100}{\text{Total waiver amount due from the Government}}$$

Miscellaneous:

- 17. The State Government has accorded sanction for waiver of agricultural loans of Small and Marginal farmers, outstanding as on 31.3.2016. In case of repayment by the farmers or consideration received through sale of Sugarcane to Sugar Mills against the eligible loans under this scheme from 1.4.2016 till date, the amount so received by the Societies will be maintained in fixed deposits for a minimum period of one year in the Cooperative Societies concerned. The above Fixed Deposits should be repaid to the farmers together with interest on maturity in accordance with the procedure of those institutions.

18. A certificate to the effect of waiver of loan and "No Due Certificate" shall be issued to each farmer.
19. The Co-operative societies shall not take any action for collection of agricultural loans eligible for waiver under the scheme.
20. The farmers, whose loans are waived, are eligible for fresh agricultural loans.
21. All Farmers, whose loans have been waived, will be intimated individually by the Cooperative Societies concerned, through a letter indicating the loan number and amount of loan waived.
22. All the original land records / documents and jewels kept as security for loans eligible under the scheme shall be returned to the farmers immediately on issue of "No due Certificate".
23. The details of Small and Marginal Farmers, whose loans have been waived, will be displayed on the Notice Board of the Cooperative Institutions indicating therein their Name, member number, Loan number, landholding and the amount waived for information of the Public. Besides, the details will be displayed in the Village areas especially in the Village Panchayat Office / Village Administrative Office. If objections are received within a week after display of the list, Regional Joint Registrar should constitute a committee exclusively to verify the eligibility of these cases and get these verified within a week. The final details of waiver will be uploaded on the website.
24. The Registrar of Co-operative Societies shall issue necessary instructions, on modalities to be followed for effecting the waiver of loans in the books of accounts and to ensure that waived amounts have been reconciled with the registers maintained in the Co-operative Societies after getting the specific order of waiver from the Government. Registrar of Co-operative Societies shall also put in place, a proper monitoring mechanism for ensuring speedy implementation of the scheme.

PRADEEP YADAV
PRINCIPAL SECRETARY TO GOVERNMENT

// True copy//

A. Sharfudin Begum
SECTION OFFICER
28/6/16
28/6/16