GOVERNMENT OF GOA,
DEPARTMENT OF COOPERATION
OFFICE OF THE REGISTRAR OF COOPERATIVE SOCIETIES,
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No. 01/Order-Guidelines-69/RCS/2023/4925 Date: - 21/03/2023

Sub: -Guidelines on Macro Level Fund Management and/or Management Tools and Standard Operating Procedure for CEO/Board of Directors of Credit and Service Resource Societies in Goa.

ORDER
(Under Section 69 of the Goa Co-operative Societies Act, 2001)

In exercise of the powers conferred upon the undersigned Registrar of Co-operative Societies under Section 69 of the Goa Cooperative Societies Act, 2001 (Act No. 36 of 2001) {hereafter referred to as 'Act'} and for successful conduct of business of Credit Societies and to ensure proper implementation of Cooperative provisions, proper management of the business of Credit and Service Resource Societies functioning in the State of Goa, the following Directions/Guidelines / Standard Operating Procedure is hereby issued for strict compliance by all the Credit Resource Societies, Urban Credit Societies, Thrift and Salary Earners Societies, any other types of Societies doing business of extending loans and/or accepting deposits and all other Authorities as under.

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1. It shall be mandatory on the part of the Chief Executive Officer/ Secretary / Managing Director / General Manager / Executive Head of a Society by whatever designation called (hereinafter referred to as "Such Officer") of Credit Resource Societies, Urban Credit Societies, Thrift and Salary Earners Societies, any other types of Societies doing business of extending loans and/or accepting deposits registered under the Act to prepare the receipt & payment statements, Profit & Loss Account and Balance Sheet every month and place the same before the ensuing Board of Directors (BoD) meeting for detailed deliberations and/or to have effective internal checks and control on the financial transactions of Society and to take corrective steps as may be required. Such monthly statements shall be prepared on or before 5th day of the succeeding month.

2. Such Officer shall also place before the Board of Directors, such statements on Macro level norms as are given herein below as 'effective management tools' for facilitating a healthy decision making process for the Board of Directors for proper management of business and/or to take prudent decisions in the best interest of the Society and members at large.

3. The deposit kept by the members in their Societies needs to be fully guaranteed and protected on one hand and on the other hand the members are to be rewarded with the reasonable returns to their savings. Therefore, effective tools for management are very much imperative to manage the business affairs of these Societies in more transparent manner.

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4. Every Society doing business of credit shall plan and execute different portfolios of the Finances of the Society and maintain financial discipline in such a manner that it will create a balance and maintain a break even point under given conditions and circumstances. The society shall ensure at all times that income generated through all its resources/investments should be higher than its cost of funds.

5. For the benefit of management of these Societies, the following directives/norms are hereby issued as the 'Macro Level Fund Management Norms' to be complied with at every point of time.

(A) For all Credit and Service Resource Societies excluding Salary Earners Societies and Thrift Societies.

RESOURCES

Sr.No.	Head of Account	Proportion
1.	Share Capital	Should be minimum 5% of total liabilities in the annual balance sheet
2.	Reserve & other funds	Should be minimum 6% of total liabilities in the annual balance sheet
3.	Deposits/Borrowings by Society	Maximum permitted upto 84% of total liabilities in the annual balance sheet, subject to limitations under Act
4.	Other liabilities of Society	Maximum permitted upto 3% of total liabilities in the annual balance sheet, subject to limitations under Act
5.	Net Surplus/profit by the	Should be minimum 1% to 2% of total liabilities in

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	Society	the annual balance sheet

UTILIZATION

Sr.No.	Head of Account	Proportion
1.	Cash Reserve Ratio(CRR)/Cash in hand / Bank balance of Society	Should be minimum 5% of total deposits and 4.2% of total liabilities in the annual balance sheet
2.	Statutory Liquidity Ratio (SLR) to be maintained by Society	Should be minimum 20% of total deposits and 16.80% of total liabilities in the annual balance sheet, subject to limitations under Act.
3.	Loans & Advances by the Society	Maximum permitted upto 70% of total liabilities in the annual balance sheet. Society shall ensure that this level of advancing loans is maintained so as to ensure profit for society.
4.	Fixed Assets of Society	Should be minimum 4% of total liabilities in the annual balance sheet
5.	Other Assets of Society	Should be minimum 1 % of total liabilities in the annual balance sheet

OTHER FINANCIAL PARAMETERS

Sr.No.	Particulars	Standard macro norms
1.	Interest payable on deposits to members	Should not exceed 60% of total income of the Society
2.	Salaries & wages to Society employees	Should not exceed 15% of total income of the Society

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3.	Administrative & management cost by the Society	Should not exceed 10% of total income of the Society
4.	Provision for depreciation, fees payments, etc.	Should not exceed 5% of total income of the Society
5.	Profit by the Society	Minimum profit desired is 10% of total income of the Society

(B) For Salary Earners Societies.

RESOURCES

Sr.No.	Head of Account	Proportion
1.	Share Capital	Should be minimum 15 % of total liabilities in the annual balance sheet
2.	Reserve & other funds	Should be minimum 5 % of total liabilities in the annual balance sheet
3.	Deposits/Borrowings by Society	Maximum permitted upto 75% of total liabilities in the annual balance sheet, subject to limitations under Act
4.	Other liabilities of Society	Maximum permitted upto 2 % of total liabilities in the annual balance sheet, subject to limitations under Act
5.	Net Surplus/profit by the Society	Should be minimum 2% to 3% of total liabilities in the annual balance sheet

UTILIZATION

Sr.No.	Head of Account	Proportion
1.	Cash Reserve	Should be minimum 2% of total deposits in the

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	Ratio(CRR)/Cash in hand / Bank balance of Society	annual balance sheet
2.	Statutory Liquidity Ratio (SLR) to be maintained by Society	Should be minimum 10% of total deposits in the annual balance sheet, subject to limitations under Act.
3.	Loans & Advances by the Society	Maximum permitted upto 85% of total liabilities in the annual balance sheet.
4.	Fixed Assets of Society	Should be minimum 2% of total liabilities in the annual balance sheet
5.	Other Assets of Society	Should be minimum 1 % of total liabilities in the annual balance sheet

OTHER FINANCIAL PARAMETERS

Sr.No.	Particulars	Standard macro norms
1.	Interest payable on deposits to members	Should not exceed 70% of total income of the Society
2.	Salaries & wages to Society employees	Should not exceed 5% of total income of the Society
3.	Administrative & management cost by the Society	Should not exceed 7% of total income of the Society
4.	Provision for depreciation, fees payments, etc.	Should not exceed 3% of total income of the Society
5.	Profit by the Society	Minimum profit desired is 15% of total income of the Society

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(C) For Thrift Societies.

RESOURCES

Sr.No.	Head of Account	Proportion
1.	Share Capital	Should be minimum 15 % of total liabilities in the annual balance sheet
2.	Reserve & other funds	Should be minimum 5 % of total liabilities in the annual balance sheet
3.	Deposits/Borrowings by Society	Maximum permitted upto 75% of total liabilities in the annual balance sheet, subject to limitations under Act
4.	Other liabilities of Society	Maximum permitted upto 2 % of total liabilities in the annual balance sheet, subject to limitations under Act
5.	Net Surplus/profit by the Society	Should be minimum 2% to 3% of total liabilities in the annual balance sheet

UTILIZATION

Sr.No.	Head of Account	Proportion
1.	Cash Reserve Ratio(CRR)/Cash in hand / Bank balance of Society	Should be minimum 2% of total deposits in the annual balance sheet
2.	Statutory Liquidity Ratio (SLR) to be maintained by Society	Should be minimum 15% of total deposits in the annual balance sheet, subject to limitations under Act.
3.	Loans & Advances by the Society	Maximum permitted upto 80% of total liabilities in the annual balance sheet.

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4.	Fixed Assets of Society	Should be minimum 2% of total liabilities in the annual balance sheet
5.	Other Assets of Society	Should be minimum 1 % of total liabilities in the annual balance sheet

OTHER FINANCIAL PARAMETERS

Sr.No.	Particulars	Standard macro norms
1.	Interest payable on deposits to members	Should not exceed 70% of total income of the Society
2.	Salaries & wages to Society employees	Should not exceed 5% of total income of the Society
3.	Administrative & management cost by the Society	Should not exceed 7% of total income of the Society
4.	Provision for depreciation, fees payments, etc.	Should not exceed 3% of total income of the Society
5.	Profit by the Society	Minimum profit desired is 15% of total income of the Society

6. The aforesaid norms are spelt out as the acceptable limits in the present financial conditions where it could be concluded at certain degree of assurance that the funds rolled in the business would fetch reasonable returns provided there shall not be net non-performing assets of the Societies beyond acceptable level of 10% and the austerity is maintained in the Revenue Expenditure by the society.

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7. The management of the society shall instruct their Managers/Accountant to prepare the profit and loss account and balance sheet at each month end and assess the position vis-à-vis these directives/norms stated above. If the financial position stands to the test of above norms, it could be treated as satisfactory and within control. In case the financial position is not in conformity, the BoD shall locate the causes whether it is due to idling of funds or exposing it to higher risk and adopt corrective measures in time.

8. The management of the Societies shall carefully assess the aforesaid profit and loss account and balance sheet every month and its copy along with remarks/action taken by the Management should be submitted to the Unit Incharge (Assistant Registrar of Coop. Societies or Cooperative Officer) at Zonal Office for their perusal.

9. This Order supersedes the earlier instructions issued vide Circular No. 15-120-2001/ADT/RCS/2971 dated 26/11/2015 and comes into force with immediate effect.

10. All Societies and such Officers of the Society shall strictly adhere to this Order and ensure financial discipline in the interest of the Society and members at large. In case of any violations, such Officers shall be personally held liable.

Given under the seal of this Office.

REGISTRAR OF CO-OP. SOCIETIES PANAJI-GOA

21/03/2023

(Vishant S. N. Gaunekar)
Registrar of Cooperative Societies &Ex-Officio Joint Secretary (Co-operation)
Government of Goa, Panaji, Goa

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To,
The Director of Printing & Stationary, Government Printing Press, Panaji, Goa for publication in the next issue of Official Gazette.

Copy to: -

1) All the Cooperative Societies in the State of Goa through their respective Unit Incharge ARCS or CO in the respective Zonal Offices;
2) The Dy. Registrar of Coop. Societies (Tech)/DLI (North), O/o. RCS, Patto, Panaji;
3) The Dy. Registrar of Coop. Societies (Admin)/DLI(South), O/o. RCS, Patto, Panaji;
4) ARCS incharge of Wings I to V, H.O., O/o.RCS, Patto Plaza, Panaji, Goa;
5) C.O. of Wings I to V, H.O., O/o.RCS, Patto Plaza, Panaji, Goa;
6) ARCS & CO Central Zone, Panaji, Goa / ARCS & CO North Zone, Mapusa, Goa / ARCS & CO Bicholim Zone, Sankhali, Goa / ARCS & CO, Ponda Zone, Curti, Ponda, Goa / ARCS & CO South Zone, Margao, Goa / ARCS & CO, Quepem Zone, Quepem, Goa for information and strict compliance;
7) Office File;
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