



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.
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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. Sharfude Dey
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.

