

By Speed Post

No. R-11017/31/2012-L&M
Government of India
Ministry of Agriculture & Farmers Welfare
Department of Agriculture Cooperation & Farmers Welfare
(Office of Central Registrar of Cooperative Societies)

Krishi Bhawan, New Delhi
Dated: 09 October, 2017

To,
The Managing Director,
Adarsh Credit Cooperative Society Ltd.,
Second Floor, 14 Vidya Vihar Colony,
Opposite Hotel Fortune Landmark,
Usmanapura, Ahmedabad- 380013,
Gujarat.

Sub: Obtaining prior approval of Central Registrar for opening of a new branches or place of business of the Multi State Cooperative Societies - Reg.

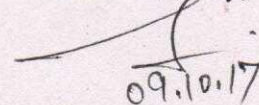
Sir,

I am directed to refer to this Department's letter of even No. dated 05.10.2017 (copy enclosed) on the above mentioned subject and to say that due to pre-occupation of the Ld. Central Registrar of Cooperative Societies (CRCS) for some other urgent official work on 25.10.2017, the above personal hearing before the CRCS is pre-poned and now it is fixed on **12.10.2017 at 4.00 P.M.**

2. It is therefore, you are requested to appear for personal hearing before the Central Registrar on the above date and time in his chamber (Room No. 224, Krishi Bhawan, New Delhi) alongwith point-wise information/clarification as mentioned in letter dated 05.10.2017 of this Department for taking further necessary action on the subject.

This issues with the approval of Central Registrar of Cooperative Societies.

Yours faithfully,



(Jitender Nagar)

Deputy Director (Co-operation)

Encl: As above.

Copy to:

Shri Suraj, Senior Programmer, NIC, for uploading on the Department's website
www.msacs.dac.gov.in.

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No. R-11017/31/2012-L&M
Government of India
Ministry of Agriculture & Farmers Welfare
Department of Agriculture Cooperation & Farmers Welfare
(Office of Central Registrar of Cooperative Societies)

Krishi Bhawan, New Delhi
Dated : 05 October, 2017

To,

The Managing Director,
Adarsh Credit Cooperative Society Ltd.,
Second Floor, 14 Vidya Vihar Colony,
Opposite Hotel Fortune Landmark,
Usmanapura, Ahmedabad- 380013,
Gujarat.

Subject: Obtaining prior approval of Central Registrar for opening of a new branches or place of business of the Multi State Cooperative Societies - reg.

Sir,

I am directed to refer to your letter No. A.C.C.S. Ltd./2017/3428 dated 28.07.2017 on the above mentioned subject and to say that after examination of your proposal, the following were observed:-

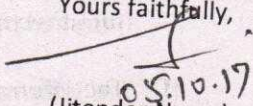
- a) The reasons for necessity for opening the new branches, no documentary support has been furnished by the society. Further, it is also not clear, why society wants to open so many branches and working like bank and it also has restriction as per the Banking Regulation Act, 1949,
- b) As per record, complaints of non-payment of deposits to the depositors have been received in the Department and as per these complaints, depositors have been refused premature payments of their deposits by the society.
- c) The society has not enclosed a copy of the extract of the minutes of the meeting held in this regard including the signature of the members who attended and signed in the meeting,
- d) The society has not furnished information regarding number of nominal members (separately for regular members and nominal members) for the Financial Years 2013-14, 2014-15 & 2015-16 and deposits collected from them separately for the same period.
- e) The statement regarding total branch-wise deposits from regular and nominal member separately for the last three financial years furnished by the society is not legible. Further, no consolidated information regarding year wise deposits collected has been furnished by the society.
- f) The information regarding total number of branches and their addresses along with details of business done by these branches for the last 3 years furnished by the society is not legible. Further, the branch addresses are not complete.

- g) From the Annual Report and audited statement of accounts, it has been observed that the society has collected a total amount of deposits to the tune of Rs. 6354.70 crore, for which detailed investment (item-wise) has not been furnished. The information regarding details about investment of deposits collected from the members for the last 3 years, it is observed that the society has invested an amount of Rs. 133.625 crores in 33 private companies which is in violation to section 64 of the MSCS Act, 2002. Further, as per the name of these companies, it appears that the same engaged in real estate business.
- h) It has also been observed that an amount of Rs. 71.43 crores has been invested in Adarsh Cooperative Bank Ltd. at the rate of 8.50%. It is not clear that how much interest rate the society is providing to the members and how the society is able to survive by collecting public deposits by giving rate of interest higher than it is invested in the bank?
- i) As per auditor's report for the financial year 2015-16, the auditor has drawn attention to Note No. 22 and 23 to the financial statements. In his report, the auditor has highlighted the following:
- i) The society has restructured or rescheduled the interest overdue which suggests that the recovery of loan and interest by the society is not effective.
 - ii) The society is not having proper record of transactions regarding acceptance and repayment of deposit.
 - iii) The society is doing business of money transfer agent and Insurance Agent.
 - iv) The society is also dealing in Government securities, listed equity shares and trading of Bullion.
 - v) Accounting standards issued by ICAI have not been followed by the society in respect of accounting for taxes on income, cash flow statement, Income & Expenditure Accounts.
 - vi) As per the Profit & Loss Appropriation Account for the F. Y. 2015-16, the society has not made any contribution towards Cooperative Education Fund as is required u/s 63 of the MSCS Act, 2002.

2. It is therefore, you are requested to appear for a personal hearing before the Central Registrar on **25.10.2017 at 4.00 P.M.** in his chamber (Room No. 224, Krishi Bhavan, New Delhi) along with point-wise information/clarification for taking further necessary action on the subject.

This issues with the approval of Central Registrar of Cooperative Societies.

Yours faithfully,


05.10.17
(Jitender Nagar)

Deputy Director (Cooperation)

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Issued
Nikhil
6.10.17