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**Fifth Meeting of State Level  
Task Force ( SLTF ) - 04 May 2012 - Proceedings**

The Fifth Meeting of the State Level Task Force (SLTF) was held on 04 May 2012 in the NABARD Conference Hall. The meeting was chaired by the Dr. Mona Sharma, IAS, Commissioner-cum-Secretary, Cooperation Department, Govt. of Odisha. The Registrar of Cooperative Societies, Govt. of Odisha, Managing Director, OSCB, Assistant General Manager, RPCD, RBI, JAGCS, Government of Odisha along with Chief General Manager, General Managers, and seniors officers of NABARD also participated in the meeting. The list of participants is given in Annexure.

02. Welcoming the participants Shri B. M. Patnaik, General Manager, NABARD stressed the need of having the meeting at regular intervals and to plan for a calendar of meets of SLTF on quarterly basis in advance.

03. In his address Chief General Manager, NABARD said that cooperatives had a wide range of issues and SLTF is a forum where deliberations on all such issues whether it is supervisory or developmental in nature, could be held and some concrete outcome could be derived, which would be helpful for smooth functioning of the cooperative credit structure in the State. He expressed his satisfaction that various issues of cooperative credit structure were dealt with by all concerned agencies in the past in a very cordial manner which made Odisha as a front runner in implementation of revival package for STCCS in the country.

He highlighted the following points :

- I. Two workshops on Corporate Governance, one for the CEOs of DCCBs and one for departmental officers had been conducted which were the first of its kind in the country. However, the Committee formed to suggest changes in the Cooperative Societies Act must take into account the suggestions given by the participants of these programmes and submit their recommendations to the Government early for the Government to take an appropriate view.

- II. The registration of the OSCERT is a welcome step and it should start functioning effectively.
- III. NABARD would continue to provide support for infrastructure development of PACS and the DCCBs for publicity.
- IV. Computerisation of DCCBs/OSCB should be completed at the earliest, otherwise they would be left out of National Payment System after 31 March 2013.
- V. The computerisation of PACS should be speeded up.
- VI. OSCB may arrange for a seminar at State Level to celebrate the International Cooperative Year.
- VII. Balance Sheet of DCCBs as well as the SCB should be finalised within 45 days of the end of the financial year.
- VIII. All stakeholders in the State's Cooperative System should cooperate to make NABARD's Balasore Project on Enhancing Agricultural Productivity successful.

04. In her opening remarks, Dr. Mona Sharma, IAS, Commissioner-cum-Secretary, Cooperation Department, extended thanks to both RBI and NABARD for providing excellent support in the initiatives taken by the Government for strengthening the cooperative credit structure in Odisha. Highlights of her address are as follows :

→ PACS should remain the single point delivery system of all services required by the farmer and all development efforts have to be focussed on PACS.

→ Although Odisha is one of the leading States for implementing the Revival Package, some unfinished agenda viz. reorganization of ineligible PACS, amendment to bye-laws, computerization of PACS, etc. were still there which required to be completed at the earliest.

She pointed out that one big reason for losses of PACS was that the financial incentives promised to farmers through PACS were not being recouped to PACS in time which led to losses of PACS. Managing Director, OSCB was advised to submit the claim for interest incentive to farmers for timely repayment of loans for the year 2010-11 to NABARD at the earliest.



→ She stressed on the need for increasing the scale of finance. She stressed the need for efficient delivery of financial services, including savings and loan products at grassroots level through CCS with the minimum regulatory burden and also to ensure safety of public deposits accepted by the cooperative banking system.

→ Indicating for urgent action on the reorganization of ineligible PACS, she advised that a study team comprising of officers from RCS, OSCB, AGCS, and NABARD be formed to chalk out the modalities for this purpose. This team should be able to arrive at the norms for determining the critical level of business of PACS so as to achieve viability on sustainable basis.

She laid emphasis on the need to complete the dry run exercise of computerisation of PACS at the earliest so that entire computerisation of PACS in Odisha could be completed. She also stressed for early finalisation of tendering process for computerisation of PACS.

→ Laying stress upon the need of good governance in cooperatives, she suggested that good governance issues like regular conduct of board meeting, preparation of agenda, discussion of agenda in the board meeting, conduct of audit by following proper system etc. needed to be streamlined. Accountability needed to be an important component of governance in cooperatives.

→ She opined that in the changed scenario, PACS are required to act as single window system so that all the requirements of the farmers could be fulfilled by them. She said that the State Govt. had decided to identify 5 PACS per block for sale of seeds, 1 PACS per Block for Agro-Service Centre, identification and training of progressive farmers on soil testing, vermi-compost and technology transfer. She stressed upon support to the PACS for maintenance and construction of rural godowns. She called upon creating adequate infrastructure at PACS level and systems for the security of the deposit mobilisation.

5. After the inaugural addresses, the meeting proceeded as per agenda items. Dr. Rajeeb Mishra, AGM, DoS, R.O, NABARD gave a power point

presentation of agenda items to facilitate discussion on various issues pertaining to the CCBs viz. Complaints against Banks, Citizen's Charter, Liquidation Proceedings of Cooperative Societies, Manpower Constraint, Internal Control System, Delay in disposal of old fraud cases and incidence of new cases, weak Concurrent Audit, Policy gaps in DCCBs, Corporate Governanace Board Rules, Policy of Entitlements for Directors of DCCBs and other issues.

6. After detailed discussion on different issues the following action points emerged :-

- 1) Dry run and other related issues pertaining to PACS computerisation should be expedited.

**( Action: OSCB,NABARD,DCCBs and AGCS)**

- 2) A committee comprising representatives of OSCB, NABARD, OCAC and headed by RCS to look into the computerisation of DCCBs/OSCB and suggest steps to complete at an early date the tendering process that had already been initiated by the OSCB. The OSCB should be CBS compliant by 31.12.2012 and the DCCBs latest by 31.3.2013 as per the GoI/RBI guidelines.

**( Action: RCS,OSCB,NABARD, OCAC)**

- 3) OSCB will prepare a plan for celebration of International Cooperative Year.

**(Action : OSCB)**

- 4) DLIC Sub-committees will review the position of frauds and internal control systems in the DCCBs.

**( Action: All DCCBs/AGM(DD)NABARD/DRCS)**

- 5) The status of frauds as well as action on complaints against Bank's services be reviewed in the Monthly CEO's meeting on a regular basis. If necessary, the meeting in alternative months could be for 2-days ; while one day could be for review, the other day should be devoted for knowledge inputs on various relevant topics.

**(Action: OSCB, All DCCBs)**



- 6) One day workshop on new KCC guidelines will be organised by OSCB and new accounting norms be introduced to see that the PACS are not penalised due to the practice of adjusting of dues by DCCBs toward interest while the recovery at the PACS level is against the principal that leads to imbalances.

(Action : OSCB)

- 7) A meeting will be organised by OSCB to look into the issues of the Deposit Counters and the Deposit Guarantee Scheme for the depositors of PACS.

( Action : OSCB)

- 8) The position of deposit mobilisation by erstwhile non-mini banks may be reviewed in the CEO's meeting every month.( Action : OSCB)

- 9) A declaration as indicated in the Fit & Proper criteria as per guidelines of RBI for elected representatives could be taken at the time of election to the CCS units by the election authorities.( Action : RCS)

- 10)RCS to issue clarifications on the status of the nominated Boards and use of facilities such as vehicle, telephone etc. by Directors.

( Action : RCS)

- 11)The issue of guidelines on Director's Fees is to be examined.

(Action : RCS)

- 12)The HR Policy be first adopted by the Banks. Those Banks which meet the "capacity-to-pay norms" may approach OSCB for recruitment of staff. Others may approach SLTF/Steering Group on HR through OSCB for relaxation as per the provisions of the HR Policy.

( Action : DCCBs and OSCB)

- 13)A meeting of the Steering Group on HR Policy be convened to examine the suggestions given by DCCB employees federation. (Action : OSCB)

- 14)OSCB may go ahead with recruitment of CEOs of DCCBs from the open market.

(Action : OSCB, DCCBs and RCS)

- 15)AGCS to instruct auditors to see to it that conversion of excess equity into grant is done while finalising Balance Sheet of 2010-11 or 2011-12 for PACS/DCCBs/OSCB.

(Action : AGCS)


- 16) AGCS may instruct auditors to ensure that all the three units of CCS i.e. PACS, DCCBs and OSCB adhere to the stipulated deadline for finalising Balance Sheets for 2011-12.
- 17) AGCS may instruct the auditors to ensure that all the three units of CCS i.e. PACS/DCCBs and OSCB bring in their own share as finalised during the special audit under Vaidyanathan Committee recommendation and reflect the same in the Balance Sheet of 2011-12 to enable the State to fulfill one of the unfinished benchmark activities.

**(Action: AGCS, OSCB and DCCBs)**

- 18) Bye-laws of all the 3 CCS units should be finalised at the earliest.

**(Action : RCS and OSCB)**

The meeting ended with a vote of thanks to the chair by Shri B.M. Patnaik, General Manager, NABARD.



**Commissioner-cum-Secretary to Govt.  
Cooperation Department**

**ANNEXURE**

***LIST OF THE PARTICIPANTS***

<b>Sr. No.</b>	<b>Name (S/ Shri)</b>	<b>Designation</b>
1	Dr. Mona Sharma, IAS	Commissioner-cum-Secretary, Cooperation Department, Govt. of Odisha
2	B.B. Mohapatra, IAS	Registrar of Cooperative Societies, Cooperation Department, Govt. of Odisha
3	L. M. Murmu	RPCD, Reserve Bank of India
4	S. Usha Rani	Manager, RPCD, Reserve Bank of India
5	T K Panda	Managing Director, Odisha State Coop. Bank Ltd.
6	K.K. Mishra	DGM, Odisha State Coop. Bank Ltd.
7	P K Jena	Dy., AGCS, Govt. of Odisha
8	K K Gupta	CGM, NABARD, Odisha Regional Office
9	B M Patnaik	GM, NABARD, Odisha Regional Office
10	Sanatan Panda	GM, NABARD, Odisha Regional Office
11	S.M. Sahasrabudhe	GM, NABARD, Odisha Regional Office
12	V K Bedi	DGM, NABARD, Odisha Regional Office
13	D. Padhi	DGM, NABARD, Odisha Regional Office
14	R C Mohanty	AGM, NABARD, Odisha Regional Office
15	Rajeev Mishra	AGM, NABARD, Odisha Regional Office
16	J.K. Behera	AGM, NABARD, Odisha Regional Office
17	S.K. Nayak	AGM, NABARD, Odisha Regional Office
18	B.K. Nayak	Manager, NABARD, Odisha Regional Office
19	B.N. Puhan	AM, NABARD, Odisha Regional Office
20	Pinku Das	AM, NABARD, Odisha Regional Office