

The Tripura Consumption Credit Rules, 1978

TRIPURA



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Government of Tripura
Department of Co-operation.

No. F. 1 (G-42)-Plan/Coop/76

Dated, Agartala, the 22nd May, 1979.

The Governor of Tripura has been pleased to make the following rules to regulate Consumption Credit for the poorer sections of the society, namely—

1. (1) These rules may be called the Tripura Consumption Credit Rules, 1978.
- (2) They shall come into force on and from the date of publication in the Official Gazette.

2. ELIGIBILITY :

Marginal Farmers holding land upto 2 standard acres in rural areas and landless labourers, rural artisans, Dhobi, Barbers, Sweepers and cobblers having no land except homestead land in urban areas as also Bargadars and Jumia cultivators who are members of the Coop. Societies, mentioned in Rule 4 below shall be eligible for loan for consumption purposes and social ceremonies.

3. TYPES OF LOAN :

The following types of loan may be admissible :—

- (a) Medical expenses—to meet up the medical expenses for the treatment of the borrower and other dependent members of his family.
- (b) Educational Expenses—to meet up the educational expenses of the child of the borrower and other dependent members of his family.
- (c) Marriage Ceremonies expenses—to meet up the social expenses relating to marriage of borrower or borrower's son or daughter, sister and other dependent persons of his family.
- (d) Funeral or birth expenses—to meet up the social expenses for funeral or births of the members of the family of the borrowers.
- (e) Expenses for general consumption—to meet up the expenses of daily necessities such as food articles, kerosene oil, match boxes, clothing etc.

4. CREDIT INSTITUTIONS :

Besides the Government the following credit institutions will handle the business for providing credit for consumption and social purpose, namely —

- (a) At Primary level—(i) Re-organised Primary Agricultural Credit Societies (Viable units), (ii) Farmers Service Society, (iii) Large Sized Multipurpose Societies (LAMPS),
Provided that each society should have a full time paid Manager/Secretary/Managing Director,
- (b) At secondary level—
(i) State Co-operative Bank,
(ii) Commercial Banks,
(iii) Tripura Tribal Development Co-operative Corporation.

5. AUTHORITY TO SANCTION LOANS :

(i) All applications for loans shall be made in the prescribed form, if any, specified for this purpose to the Manager/Secretary/Managing Director of the Society who shall place them before the Board of Directors with his comments. And in case any branch is open within the area, the member of the area shall apply to the Branch Manager and in his turn, submit with this comments, all applications recommended by the Executive Committee of the Branch to the Manager/Secretary/Managing Director.

(ii) Such applications shall finally be disposed of by the Board, in pursuance of these rules and the bye-laws of the Society.

6. LIMITS OF LOAN :

(1) A member will not require loan for all purposes at one point of time. If, however, loans for more than one purposes mentioned in the rule 3 are justified, may be sanctioned subject to the purpose-wise ceilings mentioned below :

- i) General Consumption ... Rs. 75/-
- ii) Medical expenses ... Rs. 250/-
- iii) Educational needs ... Rs. 75/-
- iv) Marriage ceremonies ... Rs. 250/-
- v) Funerals and birth ... Rs. 75/-

(2) Aggregate finance for two or more purposes shall not exceed Rs. 400/- per family.

7. RESTRICTION ON LOANS :

- (1) Loans shall not be advanced to any category of members, if his or her credit requirements are not based on minimum needs.
- (2) No loan shall be given to any category of members if he or she has got no repaying capacity and credit worthiness for which credit limit of a member should be fixed keeping in view this repaying capacity.
- (3) When a credit for consumption and social purposes is given to a family having more than one member it should be ensured that more than one members is not provided with such credit for the consumption purposes.
- (4) To avoid over financing of consumption credit to the same family, one pass book should be issued to a member indicating therein the credit limit so fixed.
- (5) To obtain credit, a member shall purchase shares to the extent of 5 percent of loans obtained by him and in no case the value of such share shall exceed Rupees twenty.

8. SECURITY OF LOANS :

(1) Consumption loan shall be secured in one or other of the following methods namely—

- (a) On the joint and several responsibility of the borrower and at least two (2) other members of that society standing sureties for him.

Provided that the total amount for which a member can stand surety shall not exceed Rs. 400/- (Rupees four hundred) only.

Provided further that the total amount outstanding against any member on such personal surety shall not exceed Rs. 800/- (Rupees eight hundred) only, or

- (b) On the security of fixed deposits, if any, to the credit of the borrower, not exceeding 85% (eightyfive percent) of the amount of such deposit, or

- (c) On the mortgage of non-encumbered immovable property wholly belonging to the borrower not exceeding 50% of the estimated market value of such property when the amount of loan will exceed Rs. 300/- (Rupees three hundred) only, or
- (2) In case of non-agriculturist member loan may be sanctioned for consumption purpose provided that such non-agriculturist members of the Co-operative Societies have availed themselves of loan for productive purposes also from that society. Loans to such categories of members may be issued on a group guarantee basis on joint and several liabilities of the group consisting of four to five members.
9. **RATE OF INTEREST :**
Loan shall carry interest at the same rate as charged by the society for short-term agricultural loans advanced to its members. In case of defaulting period, the rate of interest shall be 1% per annum in excess of the normal rate of interest of the society till the date of recovery of loans.
10. **PERIOD OF LOAN AND MODE OF REPAYMENT :**
The repayment of the loan will start after providing for a moratorium of six months from the date of sanction of the loan. Thereafter the loan may be made repayable in 4 equal quarterly instalments along with interests accrued.
11. **IDENTIFICATION OF ELIGIBLE FAMILIES :**
To identify the eligible families for consumption credit the society shall maintain a register of all families eligible for consumption loans in its area of operation as also the adult member of each family.
12. **INTERPRETATION :**
Notwithstanding anything contained in this rule, the provisions of Tripura Cooperative Societies Act, 1974 (Act No. 8 of 1974), Tripura Cooperative Societies Rule and the bye-laws of the Society in force will govern such loans in respect of all matters other than that provided in these rules.

By order of the Governor,
S. K. GHOSAL
Secretary
to the Government of Tripura.