

No. 3783 (16)/VI(I)62/99-(Part-VI) Audit-8-Dated: 20.5.2005
To

All Asst. Auditor General of
Coop. Societies of Circles.

Sub: Proper verification of land records of loanee
members and Records of Right (ROR) of lands of
Agricultural Coop. Societies.

Sir,

It is an old practice for the Supervisors of D.C.C. Banks to verify the land particulars of ^{members of} PACS at least once a year, and also to make spot visit, at random in few cases. Now it is desired by the Hon'ble Minister(s) Ind. Cooperation that the land records of loanee members at PACS, LAMPS and other agricultural Credit Coop. Societies should be updated, which is to be confirmed by concerned ARCS/DRCS and certified within 30 days or by 31.3.2005. The Records of Rights (ROR) of the Lands of the Societies should be verified by the concerned ARCS/DRCS. The lands of loanee members which have not been pledged in favour of Societies are to be completed within a specific time frame. Thus, it may be seen here that much emphasis has been given on the securities held by the societies to safeguard the finance made to the loanee members.

Since as per provisions laid down under Section 62(2) (a) and (d), a verification of securities and valuation of assets is a mandatory duty on the part of the auditor and as required under Rule-52 every member shall furnish such security as per bye-law provision, it is the statutory responsibility of the auditor to examine this aspect meticulously.

In view of this, strict instructions may be issued to the auditors to verify the land records or particulars furnished by the loanee members while conducting audit of PACS, LAMPS and other agricultural credit societies and examine whether land records have been updated and pledged in the name of the Society or not and in case of short term agricultural loans, whether declaration in schedule-'C' has been furnished as per Rule-44-A and Section 34(2) of the O.C.S. Act, creating charge in favour of the society and whether the society has sent the same to the concerned sub-Registrar under Registered post as provided under Section 34(4) of the OCS Act, or not and mention their observations in the Audit report. The auditors may also mention in their

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audit reports whether a Certificate to the effect has been obtained by the Society from the concerned ARCS/DRCS or not. These apart, the auditors are to see whether the lands have been recorded in the name of the societies concerned and the Rights of Records (ROR) of the lands of the Societies have been verified by the concerned ARCS/DRCS or not and mention their observations in the Audit report of the Society.

Yours faithfully,

[Signature]
20.5.05

Auditor General,
Coop. Societies, Orissa.

Memo No. 3784 /Dt. 20.5.2005

Copy forwarded to the Registrar of Coop. Societies, Orissa, Bhubaneswar for information and necessary action.

[Signature]
20.5.05

Auditor General,
Coop. Societies, Orissa.

Memo No. 3785 /Dt. 20.5.2005

Copy submitted to the Principal Secretary to Govt. of Orissa, Cooperation Department for favour of kind information.

[Signature]
20.5.05

Auditor General,
Coop. Societies, Orissa.

Copy to Guard file/
20 spare copies.

M.M/-19.5.2005.