

GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
OFFICE OF THE REGISTRAR CO-OPERATIVE SOCIETIES
GOVT. OF NCT OF DELHI, OLD COURT BUILDING,
PARLIAMENT STREET, NEW DELHI-110001
(BANKING BRANCH)

F.No. 47/AR/BKG/349/2025/2084-85

Dated: 01/08/25

CIRCULAR

It has come to the notice of this office that certain Thrift and Credit Cooperative Societies registered under the Delhi Cooperative Societies Act, 2003 are distributing gifts and incentives to members without adherence to the statutory provisions, and in some cases, even offering gifts as inducements for new membership. Such practices are not only irregular but also in violation of the Delhi Cooperative Societies Act, 2003 and the Delhi Cooperative Societies Rules, 2007.

Rule 73(5) of the Delhi Cooperative Societies Rules, 2007 specifically provides that a cooperative society may distribute gifts or incentives to its members only out of its net profits, subject to a maximum of five percent of the net profit and further restricted to a monetary ceiling of Rs. 300 per member. Importantly, such distribution must be approved by the General Body of the society. It is further clarified that only societies which are in profit and have duly audited financial statements evidencing such profit may consider distributing any form of gift or dividend to their members, and that too strictly in accordance with the aforementioned Rule.

It is also reiterated that offering gifts, incentives, or any other benefit as an inducement for becoming a member of the society is strictly prohibited and contrary to the cooperative principles enshrined in the Act and Rules. Membership of a cooperative society is a voluntary and democratic process governed by eligibility criteria and the approval of the Managing Committee. Any attempt to lure members by offering material benefits at the time of admission undermines the spirit of cooperative functioning and will attract strict regulatory action.

All Thrift and Credit Cooperative Societies are hereby directed to ensure strict compliance with the provisions of the Act and Rules. Societies shall not distribute any gifts unless they are in profit, the distribution has been approved by the General Body, and the same is within the permissible financial limits. Under no circumstances shall gifts be distributed for the purpose of member enrollment. Societies found violating these norms will be liable to action under the provisions of the DCS Act, 2003, which may include inspection, audit, suspension of committee, or cancellation of registration, as deemed appropriate by the Registrar.

This circular must be brought to the notice of all committee members and tabled in the next General Body Meeting of the society. A compliance report confirming receipt and intended adherence to this direction must be submitted to this office within 30 days of issuance of this circular.

By order of the Registrar
Registrar of Cooperative Societies
Government of NCT of Delhi

To,
✓ All Thrift & Credit Cooperative Societies
Registered under DCS Act, 2003
& Rules framed thereunder.

Copy to:-

- ✓ 1. The Assistant Registrar (Computer Cell), O/o RCS, GNCTD, Parliament St., New Delhi, with the request to upload this order on the department website.

(SURINDER NARANG)
ASST. REGISTRAR (BANKING)