

HUMAN RESOURCE POLICY FOR PACS

Operational Guidelines for Implementation



NATIONAL FEDERATION OF STATE COOPERATIVE BANKS LTD.

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Dr. Harsh Kumar Bhanwala, Chairman, NABARD released the first copy of the final "Report of the NAFSCOB Committee to formulate HR Policy for PACS" on 15-01-2019 at Mumbai. Shri Bhima Subrahmanyam, Managing Director, NAFSCOB is present during the event.



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27 February 2019

The Registrar of Cooperative Societies
All States

Sir/Madam

**'Human Resource Policy for PACS' –
A report of the Committee set up by NAFSCOB**

With a view to professionalising PACS staff to meet the challenges in the rural credit scenario and to meet the expectations of the community and the sector, National Federation of State Cooperative Banks (NAFSCOB) had constituted a Committee to formulate 'Human Resource Policy for PACS'. The Committee has submitted its report, a copy of which has already been forwarded to you by NAFSCOB. The report contains wide range of recommendations with regard to HR policy of PACS and if implemented, will have positive impact on the functioning of the PACS. We, therefore, request you to consider the recommendations of the policy with suitable modifications as per your requirement for adoption in PACS in your State.

Yours faithfully

(Sarita Arora)
Chief General Manager

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1. Human Resource (HR) Policy for PACS Operational Guidelines

1.1 Introduction

Human Resource Policy could be defined as a framework for the organization and employees with specific guidelines on recruitment, career progression, entitlement of benefits including leave, retirement, termination etc. A good and well-defined HR Policy will not only ensure maintaining the wellness of the organization inside, but it will also create a good image in the society as well as to job seekers. The need for a Human Resource Policy particularly in member owned and member managed institutions like PACS requires hardly any emphasis. The image and consequently the business of PACS suffered in the absence of a comprehensive HR Policy. Against this background, NAFSCOB had constituted Committee to formulate HR Policy for PACS. The recommendations of the Committee were discussed in the National Seminar held on 11th Dec, 2018 in Mumbai. For facilitating implementation of the Human Resource Policy for PACS, the following operational guidelines are issued factoring in the recommendations of the Committee and suggestions received in the National Seminar.

1.2. Categorization of PACS:

Categorization of PACS is necessary to propose staff strength commensurate with its business requirements. It is imperative to provide for minimum staff strength to PACS to take care of its operations. The following categorization is recommended for PACS based on the business volumes.

Table No.1. Catagerization of PACS

Sl. No.	*Business level (` In Crore)	Category of PACS
1	Above ` 25 Cr and upto 50 ` 50 Cr	A
2	Above ` 15 Cr and up to ` 25 Cr	B
3	Above ` 10 Cr and up to ` 15 Cr	C
4	` 5 Cr and upto ` 10 Cr	D
5	Below ` 5 Cr	E

The business of PACS would include the following (as at the end of the previous financial year as per the audited balance sheet):

- Loans and advances.
- Deposits.
- Turnover in the other non-credit business activities*.

**All other business acitivites including trading in agri-inputs and other commodities, processing if any, marketing of produce and other business activities like Petrol Pumps, RO waterplants, PDS etc.*

1.3. Staff Strength:

Table No.2. Staff Strength

Sl. No.	Grades of PACS	Staff Strength			Total
		Chief Executive Officer (CEO)	Assistant Executive*	Development Assistant**	
1	A	1	4 [#]	2	7
2	B	1	3	2	6
3	C	1	2	1	4
4	D	1	1	1	3
5	E	1	0	1	2

** Assistant Executive cadre will include clerks, accountants, salesmen, computer operators etc.*

*** Development Assistant cadre will include attenders, go-down keepers, machine operators, drivers, night watchmen and other subordinate staff.*

The senior most Assistant Executive may be designated as Deputy CEO.

PACS with business level of ₹50 Cr and above should be categorized as A+ and such PACS can decide the realistic staff strength based on their business levels, types of activities and capacity to pay as per the NABARD guidelines (copy enclosed) and in consultation with the DLEC.

- a. PACS which deliver multiple services may consider suitable augmentation of staff depending on the workload and the number of activities, subject, however, to conform to the overall capacity to pay norms of NABARD and profit centre concept. Seasonal businesses like procurement etc., have to be managed with the help of temporarily outsourced staff. Their establishment cost should be borne out of the commission/incentives earned under such seasonal business activities.
- b. Some of the states which are already implementing a different categorization of PACS may realign the categorization as recommended above.

1.4. Assessment of vacancies:

District Level Empowered Committee (DLEC) will assess the present and future vacancies arising in the following two financial years factoring in the surplus staff available in some societies if any. This assessment by DLEC should be vetted by State Level Empowered Committee (SLEC). For the purpose of recruitment of new staff based on requirement arrived for each PACS, staff existing as on the first day of the financial year and staff who are going to be superannuated in the next two years may be reckoned.

1.5. Recruitment:

The recruitment process has to be uniform and transparent. The selection has to be done in a professional manner. The recruitment of PACS staff may be done once in two years, so as to ensure availability of qualified human resources. If need be recruitment can be taken-up earlier / later based on the necessity.

1.6. Selection Process:

a. CEOs and Assistant Executives:

The recruitment process for the posts of CEOs and Assistant Executives shall comprise of a written test and interview, with 85% for written test and 15% for interview, including weightage of 5 percentage points for candidates holding Degree in Cooperation, Diploma/Higher Diploma in Cooperation and C-PEC certificate etc., subject to the extant legal position in the matter.

The written test should be conducted by independent agencies like Cooperative Services Recruitment Board (Kerala, Uttar Pradesh etc.) C-PEC NABARD, NIRB Bangalore, VAMNICOM Pune, MDMI Guwahati etc.

Number of vacancies arrived in each category based on the staffing norms suggested in the report prepared by DLECs and duly vetted by SLEC may be submitted to the independent agency for the purpose of conducting the written test and short listing the candidates for interviews (in the ratio of 1:4).

After the written test results are received from the agency concerned, DLEC may constitute Interview and Selection

Committee/s as required. Allocation of selected candidates to PACS may be done by the DLECs.

b. Development Assistants:

Recruitment to the posts of Development Assistants/Sub-Staff shall be made through the local employment exchange giving due preference to persons hailing from the area of operation of the society.

1.7. Qualifications:

- a. CEOs:** Graduate in any discipline from a recognized university. Degree or Diploma in Cooperative Management desirable. Knowledge in computers is essential.
- b. Assistant Executives:** Graduate in any discipline from a recognized university with proficiency in Computers.
- c. Development Assistants:** SSC/10th Class Pass or any other equivalent examination.

The existing CEOs and Assistant Executives who do not possess the requisite qualifications as above and who have more than 10 years of remaining service shall acquire the requisite qualification within 5 years from the date of adoption of this policy failing which their services may be compulsorily retired.

1.8. Reservations:

Rule of reservation as applicable in the state/UT concerned shall be followed.

1.9. Validity of Selection List:

The selection list shall be kept valid for three years from the date of selection.

1.10. Probation Period:

CEOs and Assistant Executives will be on probation for a period of one year from the date of joining. Probation period for Development Assistants will be six months from the date of joining. The DLEC shall clear the probation service of employees.

1.11. Scales of Pay:

The proposed pay structure for different categories of PACS staff is as under:

Table No.3. Proposed pay structure for different categories of PACS staff

CEO	6975-320/2-7615-425/2-8465-510/2-9485-595/6-13055-680/6-17135-765/6-21725
Assistant Executive	6740-255/2-7250-320/2-7890-425/4-9590-510/6-12650-595/4-15030-680/6-19110
Development Assistant	6550-215/6-7840-255/5-9115-320/4-10395-425/3-11670-510/2-12690-595/4-15070

The above pay scales are recommended to the staff of PACS across the country. However, if the staff of any PACS are drawing higher salaries than the above already, they may continue with such better emoluments, provided, the expenditure on manpower is in compliance with the NABARD norms.

1.12. Dearness Allowance:

Dearness Allowance shall be paid on the pattern adopted by the DCCBs concerned (SCB concerned in respect of 2-tier structure).

1.13. House Rent Allowance:

10% of basic pay subject to a minimum of `1,000/- and a maximum of `2,000/- per month i.e., `2,000/- for CEO; `1,500/- for Assistant Executive and `1,000/- Development

Assistant. However, staff who have been provided residential quarters by the societies will not be eligible for HRA.

1.14. Stagnation increments:

Three-stagnation increments equivalent to the last increment in the time scale may be sanctioned after reaching the maximum scale @ one increment per two years of service.

1.15. Performance Incentive:

Based on the audited accounts of the PACS, annual performance linked incentive shall be extended to the staff for achieving incremental business of 20% and above the business projected under the Business Development Plan (BDP) subject to a maximum of one month pay i.e., Basic Pay + DA. Year on year increase in the volume of business as may be incorporated in the BDPs should be on par with Banking Industry average in the state.

However, the overall expenditure on salaries has to be in conformity with the capacity to pay norms of NABARD.

1.16. Fixed Travelling and Daily Allowance (TA&DA):

CEO : ₹ 1,000/- per month;
Assistant Executive : ₹ 750/- per month and
Development Assistant : ₹ 500/- per month.

For the purpose of paying fixed TA/DA, an employee should be on tour for at least 10 days in a month.

1.17. Professional Qualification Increment:

With a view to encourage PACS staff to acquire professional skills that one advance increment shall be granted in the time scale for acquiring professional qualifications such as Certified PACS Secretary offered by C-PEC, BIRD, Lucknow,

Degree in Cooperative Management, Higher Diploma in Cooperative Management etc. This increment may be given from the date of announcement of results.

1.18. Fitment:

The fitment in the revised scale of pay will be on stage to stage basis. There shall be no change in the dates of annual increments because of the fitment.

1.19. Fixation:

Revised scales would be applicable from a date as may be fixed by the authority prescribing the pay scales.

The Managements of PACS shall not be allowed to change the pay scales. However, if the staff of any PACS are drawing higher salaries than the above already, they may continue with such better emoluments, provided, the expenditure on manpower is in compliance with the NABARD norms.

1.20. Leave

Casual Leave, Earned Leave and Medical Leave facilities may be extended on the lines obtaining in the DCC Bank concerned (SCB in case of 2-tier structure).

1.20.1. Encashment of Earned Leave:

Employees of PACS which are in profits may be allowed to surrender / encash earned leave of not exceeding 15 days in a year. The employees of PACS which are dependent on DLSF are not eligible for such yearly encashment.

At the time of retirement or on attaining the age of superannuation/death, employees of PACS may encash earned leave subject to a maximum of 240 days.

1.21. Other Welfare measures:

1.21.1. Insurance:

PACS employees may be provided Accidental Death and Life Insurance Coverage. Additionally, health insurance cover may be provided to the employee along with spouse and two dependent children with 50% premium borne by the employee and the remaining 50% premium borne by PACS, subject however to the condition that 50% premium should not exceed ₹2,500/- per annum. Any insurance scheme of the Government of India or the State Government concerned may be used for these purposes. If any better scheme is already in operation in any of the PACS, the same may be continued.

1.21.2. Gratuity:

An employee after completion of 5 years of continuous service shall be eligible for payment of gratuity. For every completed year of service, the employee is eligible to get 15 days of pay (Basic + DA) towards gratuity, subject to a maximum of ₹2.50 lakh.

SLEC / DLEC may facilitate adopting suitable group gratuity schemes of insurance companies.

1.21.3. Death in Harness:

PACS shall pay an amount of ₹5,000/- to the immediate family members of their employees on the death of the staff members while in service. This amount should be paid immediately after the death of the employee.

1.21.4. Festival Advance:

Employees of PACS which meet their establishment expenditure on their own, without depending on the District

Level Support Fund and having no defaults to higher financing agencies will be eligible for Festival Advance equivalent to one month pay (Basic + DA) recoverable in 10 equal monthly installments without interest.

1.21.5. Personal Loan:

Confirmed employees of PACS who have completed 5 years of continuous service will be eligible for a personal loan of ₹ 1,00,000/-, at an interest rate not below the maximum lending rate charged by the PACS to the ultimate borrower under any purpose. Such a personal loan shall be repayable in 36 equated monthly installments (EMI). Minimum take home salary norms shall be followed.

1.21.6. Maternity Leave:

Women employees of PACS may be sanctioned maternity leave on par with the respective State Government employees.

1.21.7. Pension Scheme:

In order to provide a dignified life in the twilight years of an employee's life after retirement, a contributory pension scheme may be implemented for the staff of PACS. SLEC may evolve a suitable self-financing pension scheme for PACS employees.

1.21.8. Career Progression:

One third of the vacancies in the posts of CEOs and Assistant Executives arising within a district shall be reserved for eligible candidates from PACS. In case eligible candidates are not available from PACS, these vacancies may be filled by direct recruitment by notifying the vacancies through SLEC.

One third of the vacancies in the category of Staff Assistant/Clerk/Supervisor in DCCBs shall be reserved for the staff of PACS subject to the norms of eligibility for recruitment. Age relaxation for this purpose shall be on the lines of respective State Governments.

1.22. Transfer:

1.22.1. CEOs and Assistant Executives of PACS may be transferred within the revenue division after every 5 years normally. Further, no CEO shall continue in the same PACS for more than 8 years at a stretch. Uniform rules for charge handing over at the time of transfer shall be framed by the SLEC.

1.22.2. Transfers shall be affected, preferably in the months of July/August so that the loan recovery is not affected.

1.22.3. The District Level Empowered Committee shall be responsible for effecting transfers based on the above parameters. In exceptional cases, transfers may also be considered within 5 years in respect of any CEO/ Assistant Executive on specific grounds / valid reasons, as decided by DLEC.

1.22.4. In case of transfer of an employee from a society which is already compliant with capacity to pay norms of NABARD to a society which is still not compliant with the requirements, the DLEC has to factor in such additional gap funding requirement of the latter society and provide financial support accordingly from the District Level Support Fund.

1.22.5. Development Assistants will not be subjected to transfers normally. However, in exceptional circumstances, DLEC

may consider to transfer Development assistants within the revenue division.

1.23. Compassionate Appointment:

Request for Compassionate Appointments received from the deceased staff of PACS may be considered by the DLEC as per the policy of the State Government concerned. Eligible candidates may be allotted to PACS where suitable vacancies are available preferably within the same revenue division.

1.24. Maintenance of Service Registers:

1.24.1. Service Registers (SR) shall be maintained for each of the staff members by the respective PACS. The Service Registers shall be maintained in duplicate with one copy to be maintained by the PACS concerned and the second copy maintained at the DLEC. Such SR shall be updated and authenticated by the Branch Managers of the DCCB (SCB in case of 2-tier structure) concerned every year. CEO of the PACS shall ensure that SRs are updated and authenticated from time to time. On transfer of a staff member to another society the SR will also be transferred to the society concerned after the entries till the date of transfer with due authentication.

1.24.2. Newly recruited employees shall be provided with uniform SR without giving scope for any local designs etc. The NAFSCOB may develop and circulate uniform service register format for adoption.

1.24.3. In respect of existing staff, new SR system may be adopted within three months from the date of implementation.

1.24.4. The terminal benefits accruing in respect of each PACS staff member have to be remitted by PACS proportionate to the period of service rendered in the said PACS into a separate account to be maintained in DCCB. Release of the terminal benefits will be recommended by the DLEC.

1.24.5. Superannuation:

Age of superannuation for all cadres of PACS staff is recommended at 60 years or as per the practice in the state whichever is higher.

1.24.6. Review of Pay Scales etc.:

- a. Review and revision of pay scales and other benefits shall be done once in every 5 (five) years.
- b. Other aspects may be reviewed as per necessity.

1.25. Annual Performance Appraisal:

Performance appraisal of PACS staff shall be done every year, preferably, in the month of April based on the business development with reference to BDPs including specific action plans in respect of PACS not conforming to the capacity to pay norms of NABARD; maintenance of books of accounts; conduct of compliance to regulations and norms with negative remarks for any misadventures.

- a. **CEO:** The CEO shall prepare a self-appraisal at the end of each financial year and submit to the President of the PACS who will confirm the same along with his comments / remarks.
- b. **Assistant Executive:** Assistant Executive will prepare annual self-appraisal report, which will be confirmed by the CEO.

- c. Development Assistant:** Performance Appraisal Reports of sub-staff will be recorded by the CEO of PACS.

Copies of the self-appraisal reports and performance appraisal reports should be filed in the SRs both at PACS and DLEC every FY year before September. NAFSCOB may evolve suitable annual performance appraisal reports.

1.26. Sanction of Increments:

- The Board of Management of PACS shall sanction annual increments to all its staff members.
- Increments shall be sanctioned subject to normal conditions and additionally on the condition that the staff member concerned has attended at least one training program deputed by PACS during the year.

1.27. Disciplinary Procedure:

- Disciplinary action can be initiated by the President of a society against the CEO based on a valid complaint, audit report, inspection report or on reference from higher financing agency or government or on the basis of a court order. Due opportunity has to be provided to the CEO for putting forth his/her point of view in defense of his/her position on the allegations/charges levelled against him/her. The management of the society has to, where necessary; conduct an enquiry into the allegations/charges against the CEO by an officer not below the rank of Assistant Branch Manager of DCCB. President of the society shall award punishment based on such enquiry report.

- For all other categories of staff, CEO is the disciplinary authority.
- The DLEC which is empowered to transfer etc. is the Appellate Authority for disciplinary action against CEO. In respect of other staff of PACS, the President /Board of Management of respective societies shall be the Appellate Authority.

1.28. Outsourcing of Staff:

The management of the PACS may identify the requirement of additional staff to meet seasonal requirements like sale of fertilizers, seeds, pesticides etc., and procurement of agricultural produce etc. In such situations the CEO as empowered by the management of PACS may hire additional staff on ad-hoc basis for supporting the seasonal operations. However, the expenditure on such outsourced staff has to be borne by the PACS concerned out of the income earned from such activities only and shall have no claim over the general funds of the PACS or District Level Support Fund.

1.29. Training and Capacity Building System for Societies:

1.29.1. SLEC/DLEC may cause a Training Needs Analysis (TNA) for PACS staff and coordinate with different training establishments to ensure that requisite training is extended to all PACS staff. Every employee of the PACS shall undergo training / skill upgradation / reorientation programs at least once in every calendar year.

1.29.2. Broadly, training in following areas is suggested for different categories of PACS staff:

- a. CEO:** Business Development Plans, Asset Liability Management (ALM), Risk Management, Governance

issues – Dos and Dents, Supervision and Audit in computerized environment, Internal Checks and Controls Mechanism, Disciplinary Action - Procedure and Practice, PACS as profit center, Recovery and NPA Management etc.

- b. Assistant Executive:** Common Accounting System (CAS), Management Information System (MIS), Audit in computerized environment etc.
- c. Development Assistant:** General orientation on the activities of PACS.

1.29.3. Training programs should be conducted, preferably, for short durations at the DCCB level to facilitate better participation of the staff of PACS.

1.29.4. The DLEC may arrange to send select CEOs of PACS who show promise, to premier training institutions like VAMNICOM, BIRD, CAB etc. and also for exposure visits to other states.

1.29.5. It is a common experience that majority of the staff deputed for training shy away because of the monetary considerations such as financial constraints at PACS level for payment of T.A., D.A. though the training as such is provided free of cost under various schemes of NABARD, SCB etc. It is therefore necessary that the DCCBs invest in the training of PACS staff by subsidising the TA expenditure fully.

1.29.6. Training programmes attended by the PACS staff shall be noted in their Service Registers.

1.29.7. The DLEC shall evolve a mechanism to compile and continuously update data on the training programmes attended by the individual staff members of PACS.

1.29.8. It has to be ensured that every employee of society undergoes at least one training program in a year.

1.29.9. In case a staff member does not attend any training program on being nominated to attend, such a refusal shall be recorded in the SR of the staff concerned. Such an entry will be given due negative weightage while considering him/her for increment and promotion.

1.30. Induction Training:

An induction program for newly recruited staff may be arranged to give an orientation on the rural finance cooperatives, fundamentals of finance and accounting, Cooperative Societies Act etc.

1.31. Orientation Programs for Elected Board Members:

The managements of the societies are elected bodies whose term of office is normally 5 years. In order to provide them an insight into the functioning of the societies, laws governing the societies, the business opportunities, dos and don'ts and governance issues, an initial orientation cum training program may be conducted for all the newly elected directors.

Periodical refresher courses may also be conducted for the members of the boards of managements preferably at a place away from the state and district headquarters so as to provide them an undisturbed atmosphere/ambience.

The elected board members may also be encouraged to takeup “Certification Course on Corporate Governance for Leaders/Board of Directors of Cooperatives” offered by C-PEC, BIRD, Lucknow. Course fee charged by C-PEC may be reimbursed by DCCB/SCB (in case of 2-tier structure) concerned on successful completion of the course.

1.32. District Level Support Fund (DLSF):

PACS should conform to the guidelines issued by NABARD on expenditure and manpower norms and capacity to pay. In case of PACS, which do not conform to the above guidelines of NABARD, in states having 3-tier structure, a DLSF may be created as under:

- Contribution to DLSF.
 - i. Contributions to DLSF to be from SCB, DCCB, State Government and NABARD (out of CDF provisions).
 - ii. If both SCB and DCCBs are in ‘Net Profit’ for the preceding financial year, then the sharing between SCB and DCCB would be equal (i.e., 50% each), to the full requirement of DLSF.
 - iii. If SCB in profits and DCCBs are under ‘Losses’, then the portion of DCCB, would be met from NABARD – CDF provisions, in addition to the contributions of SCB, State Government and NABARD, in the ratio of 25% and 25% respectively.
 - iv. If SCB in profits and DCCBs are under ‘current year operating profit’ though accumulated losses are persisting, then the sharing of DLSF

would be 25% each between SCB, DCCB, State Government and NABARD (CDF).

- v. If both SCB and DCCBs are in 'Losses', then SCB and DCCB may not be able to contribute and the DLSF requirement in full would be shared between State Government and NABARD (CDF provisions) i.e., 50% each.

For PACS which do not conform to the capacity to pay norms of NABARD, a 5-year time line may be given for achieving sustainable viability. During this period, such societies will receive financial support in the form of interest free loan from the DLSF recommended above, on a tapering basis, @ 100%, 80%, 60%, 40% and 20% during the 1st, 2nd, 3rd, 4th and 5th year respectively. These PACS should prepare specific Business Development Plans for viability, to comply with the NABARD guidelines on capacity to pay within a period of 5 years and enter into an agreement with DLEC with due approval from their Board of Directors. The implementation of these action plans will be reviewed before the release of 2nd, 3rd, 4th and 5th year support. For the purpose of arriving at the quantum of support to be released to these weak societies, the societies have to prepare projected cash flow statements as part of the BDPs and submit to the DLEC. The income gap as projected in the cash flow statements has to be reviewed and confirmed by the DLEC before release of financial assistance/gap funding.

1.33. The procedure for release of assistance to PACS:

- Normally 5 years on tapering basis @100%, 80%, 60%, 40% and 20% during 1st to 5th year respectively.

- However, if the PACS complies the capacity to pay norms during the 5-year period of DLSF assistance, the assistance under DLSF shall be stopped.
- PACS, which seek support from the DLSF, should have their statutory audit completed for the immediate preceding FY and furnish such audited accounts to the DLEC along with their request for financial support from DLSF for following year.
- The inspecting authorities/supervisors, while inspecting PACS, have to examine and comment on the utilization of DLSF by PACS and whether the PACS is complying with the BDP approved by DLEC.

1.34. Repayments to DLSF:

Once the PACS, which is under assistance from DLSF, has come to the level of complying with the capacity to pay norms, the PACS should repay the financial assistance received from DLSF in a phased manner i.e., in 5 years at the rate of 20% each year. Repayment shall commence from the 6th year from the date of receiving 1st installment of assistance from DLSF or from the year following the compliance with the capacity to pay norms whichever is earlier.

2. Implementation Mechanism for States with 3-tier Structure

2.1. Business Development Plans (BDPs):

All PACS should prepare BDPs setting out the targets under various business parameters, other commitments and compliances including loan recovery, remittance of funds to DCCBs etc as mentioned earlier. PACS should execute Memorandum of Understanding (MoU) with the DCCBs concerned for their implementation. The performance under BDPs should be monitored and reviewed by DCCB and DLEC.

2.2. District Level:

A District Level Empowered Committee (DLEC) shall be constituted at the district level for implementing and monitoring the various recommendations of the Committee as indicated below:

Table No. 4. District Level Empowered Committee

Sl. No.	Designation	Committee
1	President, DCCB	Chairman
2	Dist. Coop. Officer	Member
3	Dist. Dev. Manager, NABARD	Member/Spl. Invitee
4	CEO of DCCB	Member / Convener
5	Presidents of two PACS	Special Invitees

2.3. The DCCBs shall provide necessary secretarial support to the DLEC besides maintaining all the records. The monitoring of training of PACS staff may also be done by such secretariat as information in this regard will be an important input while considering various proposals by the DLEC. The DLEC may meet at least once in a quarter to review the progress. Additional meetings could be convened as per the requirements.

2.4. The District Level Support Fund shall be administered by the DLEC.

2.5. Broad functions of DLEC:

- Effective monitoring of implementation of HR Policy for PACS in the district.
- Assessment of vacancies in the PACS and getting approvals from SLEC, conduct the recruitment to such vacancies, interviews, selection and allotment of staff to PACS.
- Training to PACS staff and maintenance of such record and entry in respective SRs identification and adoption of group gratuity and insurance schemes for PACS staff.
- Critical review of BDPs vetting and approval.
- Quarterly review and monitoring the implementation of BDPs as per the SLEC guidelines.
- Identification of PACS requiring support from DLSF.
- Assessing the gap funding requirement of PACS.
- Administering DLSF.
- Monitoring of maintenance of Service Registers (SRs) and performance appraisal reports of PACS staff and ensuring their periodic updation and authentication.
- Monitoring and maintenance of terminal benefit accounts of the staff of PACS and release of terminal benefits.
- Appellate disciplinary authority for the CEOs of PACS.
- Transfers of PACS staff.
- Causing TNA for PACS staff and maintaining records of training undergone by staff of PACS.
- Review of timely audit of PACS.
- Review of imbalances and NPAs of PACS.
- Review of compliance by PACS with NABARD guidelines.

- Clearing the probation period of newly recruited staff of PACS.
- To obtain data, preferably audited, from all PACS before October for the previous Financial Year and review the same before submitting to SLEC.
- To monitor the implementation and compliance of the suggestions/ directions received from SLEC by PACS.
- Imposing penalties for not complying with the stipulations relating to HR Policy.

2.6. State level:

A State Level Empowered Committee (SLEC) may be constituted as under for guiding, reviewing, monitoring the implementation of the recommendations of the report and ensuring availability of proper human resources in PACS.

Table No.5. State Level Empowered Committee

Sl. No.	Designation	Committee
1	President, SCB	Chairman
2	RCS	Member
3	CGM, NABARD	Member
4	M.D. SCB	Member / Convener
5	Presidents of two DCCBs	Special Invitees

The SCB may provide necessary secretarial support to the committee. The committee shall meet at least once in a quarter.

2.7. Broad functions of the SLEC:

- Effective monitoring of implementation of HR Policy for PACS in the state.
- Review of assessment of vacancies submitted by DLECs.

- Training needs analysis for PACS and coordination with different training establishments to ensure that requisite training is extended to all PACS staff.
- Monitoring of implementation of uniform Service Registers (SR), Performance Appraisal Reports (PAR), Special Report for clearing the probation etc., for staff by PACS.
- Approval of the BDPs and periodical review of their implementation by PACS and development of appropriate MIS and review formats.
- Ensure adherence to guidelines on assessment of fund requirement form DLSF and releases thereof.
- Amendments to Acts and Rules.
- Administering self financing pension scheme for PACS employees.
- Periodical review of functioning of DLECs.
- To obtain data, preferably audited, from all PACS through DLECs before October for the previous Financial Year, analyse the same critically and to advise DLECs on performance of individual PACS.

2.8. Settlement of Disputes:

SLEC will be the final authority to settle any disputes arising out of implementation of the HR Policy for PACS in the state.

3. Implementation Mechanism for States with 2-tier Structure & North-Eastern Region (NER)

For the NER, there will be only one Committee at the state level with the responsibility of implementing the recommendations and monitoring the progress in implementation. Thus, the State Level Empowered Committee shall be the sole monitoring and implementing instrument for the PACS in NER and other states with 2-tier structure.

3.1. State level Committee:

The State Level Empowered Committee may be constituted as under for guiding, reviewing, monitoring the implementation of the recommendations of the report.

Table No.6. State Level Empowered Committee

SI. No.		Designation
1	President, SCB	Chairman
2	RCS	Member
3	OIC, NABARD	Member
4	CEO/M.D. SCB	Member / Convener

3.2. All the functions listed for DLEC and SLEC in the 3-tier structure will be applicable to SLECs in NER and other states having 2-tier structure.

The SCB shall provide necessary secretarial support to the SLEC besides maintaining all the records. The monitoring of training of PACS staff may also be done by such secretariat as information in this regard will be an important input while considering various proposals by the SLEC.

3.3. Gap Funding for PACS staff cost:

On arriving at the gap, the requirement of funds for each PACS to meet its staff cost subject to the conditions prescribed, may be considered and approved by the SLEC.

3.4. State Level Support Fund (SLSF):

Gap funding under the title SLSF may be provided to PACS in NER for a period of 7 years as against 5 years recommended for PACS in the 3-tier structure.

The pattern of funding under various other schemes of Gol for NER, i.e., 90% contribution may be adopted in respect of the gap funding, by Gol and/or NABARD (from Cooperative Development Fund). The balance 10% may be contributed by the State Governments/SCBs.

3.5. The period of assistance to PACS:

Normally 7 years on tapering basis: 100%; 90%; 80%; 60%; 50%; 40% and 20% during 1st to 7th year respectively.

If the PACS complies with the capacity to pay norms during the 7-year period, the assistance under SLSF shall be stopped.

3.6. Repayments to SLSF:

Once the PACS, which is under assistance from SLSF, has come to the level of complying with the capacity to pay norms, the PACS should repay the financial assistance received from SLSF in a phased manner i.e., in 7 years at the rate of 10% in the first year and at the rate of 15% each in the remaining 6 years. Repayment shall commence from the 8th year from the date of receiving 1st installment of assistance from SLSF or from the year following the compliance with the capacity to pay norms whichever is earlier.

3.7. States (other than NER) having 2-tier STCCS:

As mentioned earlier some other states and Union Territories like Andaman & Nicobar, Chandigarh, Delhi, Goa, Jharkhand, Puducherry have 2-tier structure, whereas, Himachal Pradesh has a mixed structure with one DCCB and rest 2-tier structure.

In these states, guidelines as mentioned above will be applicable mutatis mutandis. However, implementation mechanism as recommended for the NER may be followed.



Shri Parshottam Rupala, Hon'ble Union Minister of State for Agriculture and Farmers Welfare released the "Report of the NAFSCOB Committee to formulate HR Policy for PACS" at Ahmedabad, Gujarat on 03-02-2019, in the presence of Shri Dileep Sanghani, Ex.M.P./Ex. Minister, Gujarat, Chairman, NAFSCOB and other dignitaries.

Composition of the Committee to Formulate Human Resource Policy for PACS

1.	Shri Konduru Ravinder Rao, Director, NAFSOCB & President, Telangana SCB	Chairman
2.	Shri P. Mohanaiah, Former Chief General Manager, NABARD	Member
3.	Smt. Ranjana Chopra, IAS, Commissioner-cum-Secretary Cooperation Department, Government of Odisha	Member
4.	Dr. R Palaniswamy, IAS, Registrar of Cooperative Societies, Tamil Nadu	Member
5.	Shri Rabi Kant Singh, Managing Director, Uttar Pradesh SCB	Member
6.	Dr. S. K. Batish, Managing Director, Punjab SCB	Member
7.	Shri O.E.J. Nongbri, Managing Director, Meghalaya SCB	Member
8.	Shri R. L. Bayas, Managing Director (I/C), Maharashtra SCB	Member
9.	Shri D Ramesh Sinha, Former Chief General Manager Erstwhile APCOB	Member
10.	Shri Bhima Subrahmanyam, Managing Director, NAFSCOB	Permanent Invitee