

PRODUCER COMPANIES (GENERAL RESERVES) RULES, 2003

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In exercise of the powers conferred by clause (a) of sub-section (1) of section 642, read with sub-section (1) of section 581ZL, of the Companies Act, 1956 the Central Government hereby makes the following rules, namely :

1. Short title and commencement :-

- (1) These rules may be called the Producer Companies (General Reserves) Rules, 2003.
- (2) They shall come into force on the date of their publication in the Official Gazette.

2. Applicability :-

These rules shall apply to a company formed and registered under] s.581C of the Companies Act, 1956 .

3. Definition :-

"Co-operative society" means a society registered or deemed to be registered under any law relating to co-operative societies for the time being in force in any State.

4. Investment of general reserves :-

A producer company formed and registered under s.581C of the Companies Act, 1956 shall make investments from and out of its general reserves in any one or in combination of the following, namely:

- (a) \in approved securities, fixed deposits, units and bonds issued by the Central or State Governments or co-operative societies or scheduled bank; or

(b) \in a co-operative bank, State co-operative bank, co-operative land development bank or Central co-operative bank; or

(c) \with any other scheduled bank; or

(d) \in any of the securities specified in s.20 of the Indian Trusts Act, 1882; or

(e) \in the shares or securities of any other multi-State Co-operative society or any co-operative society; or

(f) \in the shares, securities or assets of a public financial institutions specified under s.4A of the Companies Act, 1956 .]