

GOVERNMENT OF KERALA
Abstract

Co-operation-Financial assistance under Revitalisation Scheme-
Payment of share capital contribution and Managerial Subsidy
to Primary Consumer Societies/Stores under Revitalisation Scheme
Rules Modified-Orders issued.

CO-OPERATION (B) DEPARTMENT

G.O. (MS) No: 70/2001/Co-op: Dated, Thiruvananthapuram 6.4.2001.

Read:- 1. G.O. (MS) 179/98/Co-op: dated: 22.12.1998.
2. Letter No. CS(4) 53292/99 dated: 31.1.2000 from the
Registrar of Co-operative Societies, Thiruvananthapuram.

O R D E R

As per the letter read as second paper above, the Registrar of Co-operative Societies has forwarded proposals for modifying the rules issued as per Government Orders read as first paper above.

2. Government have examined the matter in detail and are pleased to order that Rule 6 (d) and Rule (f) of the Rules for the payment of Share Capital Contribution to Primary Consumer Co-operative Society/Stores under the scheme of Revitalisation of Primary Consumer Co-operative Societies/Stores and Rule (2) for the grant of managerial subsidy to Primary Consumer Societies/Stores under Revitalisation scheme issued as per the Government Order read stands modified as follows:

<u>Existing Rule</u>	<u>Modified Rule</u>
<u>Rule 6 (d)</u> The society/stores shall not deal in textile and cement and shall not utilise the financial assistance for the above areas of business.	The society/Store shall not deal in cement business. The society shall not utilise the financial assistance sanctioned under revitalisation scheme for textile business.
<u>Rule 6 (f)</u> The society shall have a full time paid secretary.	The society shall have a full time paid secretary or Manager or Clerk/Clerk cum salesman.
<u>Rule for the grant of managerial subsidy to primary consumer Societies/Stores under Revitalisation scheme.</u>	
<u>Rule (2)</u> The subsidy shall be admissible towards the cost of paid employees	The subsidy shall be admissible towards the

of the Society/Stores such as Secretary/Manager/Clerk. The appointment shall be for approved by Joint Registrar of Co-operative Societies (General) of the District Concerned.

of paid employees of the society/Stores such as Secretary/Manager/Clerk Salesman/ Packer/Helper. The appointment shall be got approved by Joint Registrar of Co-operative Societies (General) of the District concerned.

By Order of the Governor,

V. G. INDIRA BAI AMMA
JOINT SECRETARY TO GOVERNMENT.

To

The Registrar of cooperative Societies,
Thiruvananthapuram.

All Joint Registrar of Cooperative Societies
(through Registrar of Cooperative Societies)
The Accountant General (Audit)/(A&E), Kerala,
Thiruvananthapuram.

(This has the concurrence of Finance Department)
Finance Department (Vide their U.O.No.101152/AWC1/2001/
fin.Dtd. 6.2.2001)

Disposal leading to G.O.(MS)179/98/co-op:dtd.22.12.98)
All Officers/Sections in Co-operation Department
Stock file/Office Copy.

Forwarded/by Order
sd/-

SECTION OFFICER.

Endt.No.CS(4)53292/2000.

Office of the Registrar of
Co-operative Societies,
Thiruvananthapuram, Dtd.21.5.2001.

Copy communicated to All Joint Registrar(Gl.) for
information and necessary action.

For REGISTRAR OF COOPERATIVE SOCIETIES.

Copy to:- CS(1), CS(2), CS(3)- for informations.

" stock file.

Es.30.5.'01.

Abstract

Co-operation - Rules for the payment of Share Capital
Contribution to Primary Consumer Co-operative Society/store
under the scheme of Revitalisation - Approved - Orders issued

CO-OPERATION (B) DEPARTMENT

G.O.(M.S.)No.179/98/Co-op: Dated Thiruvananthapuram 22-12-1998

Read: Letter No.CS(3)38164/97 dated 2-7-1997 from the Registrar
of Co-operative Societies.

O R D E R

Government are pleased to approve the Rules, guidelines,
application and agreement appended to this order for the pay-
ment of Share Capital Contribution to Primary Consumer Co-opera-
tive Societies/Store under the scheme of Revitalisation of
Primary Consumer Co-operative Societies/Stores in supersession
of the existing rules in this regard.

By order of the Governor,

M.SAPHIA BEEVI
UNDER SECRETARY TO GOVERNMENT

To

The Registrar of Co-operative Societies,
Thiruvananthapuram

All the District Joint Registrar of Co-operative
Societies.

The Accountant General (A&E), Kerala,
Thiruvananthapuram

The Accountant General (Audit),
Thiruvananthapuram.

The Finance Department (vide U.O.No.55434/AWCI/98/Fin
dated 27-10-1998)

Stock File/Office Copy

Forwarded /By order

Section Officer



M.S. PA
Director

[Signature]
President

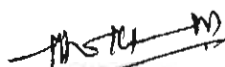
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Secretary.

RULES FOR THE PAYMENT OF SHARE CAPITAL CONTRIBUTION TO
PRIMARY CONSUMER CO-OPERATIVE SOCIETY/STORE UNDER THE
SCHEME OF REVITALISATION OF PRIMARY CONSUMER CO-OPERATIVE
SOCIETIES/STORES

1. These rules may be called the Rules for the Grant of share capital contribution to Primary Co-operative Consumer Societies/Stores under the Scheme of Revitalisation of Primary Consumer Co-operative Societies/Stores.
2. Financial assistance ~~may~~ by way of contribution to the sharecapital of Primary consumer Co-operatives shall be made by the State Government to the selected consumer co-operative society/store.
3. The Societies shall be selected by the Joint Registrar of the District concerned subject to prior approval of the Registrar of Co-operative Societies.
4. The scheme shall be implemented within a period of 3 years. The Co-operative society/store selected under the scheme shall be eligible for a share capital assistance of Rs.270000/- spread over a period of 3 years at Rs.90,000/- each year.
5. The total financial assistance from Government will be limited to 75% of the total requirement of funds based on the project report. The society/store shall be in a position to raise atleast 25% of the requirement either from their own resources or by way of collection of additional share capital/long-term deposits etc.
6. A Consumer Co-operative Society/Store to be eligible for share capital contribution shall satisfy the following conditions:-
 - (a) The society/store shall have adopted the bye-laws prescribed by the Registrar of Co-operative Societies for the purpose.

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Director


President


Secretary.

RULES FOR THE PAYMENT OF SHARE CAPITAL CONTRIBUTION TO
PRIMARY CONSUMER CO-OPERATIVE SOCIETY/STORE UNDER THE
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... 2 ..




Director



President


Secretary.

- (b) A Primary Co-operative Consumer Society/store shall have a minimum membership of 100 and a paid-up share capital of Rs.12,000/-.
 - (c) The society/store will be responsible to achieve a minimum sales turnover of ~~Rs~~ Rs.2000/- per employee per day (for this, the total number of employees for sale and non-sale will be taken into account and average daily sales of Rs.2000/- will be exclusive of the sale of non-controlled items).
 - (d) The Society/store shall not deal in textiles and cement and shall not utilise the financial assistance for the above areas of business.
 - (e) Minimum rotation of funds will be ensured with regard to grocery, cosmetics, stationery, aluminium, steel and Hard-ware adopting National Co-operative Consumer Federation's fixed norms.
 - (f) The society shall have a full-time paid secretary.
7. The application for Government assistance under these rules shall be forwarded by the selected society/store through the Joint Registrar concerned. The society selected shall submit a copy of the rules duly signed and a project report for business expansion, along with the application. It shall also be supported by a resolution passed by the Managing Committee of the Store to permit such application and agreeing to abide by these Rules.
8. The project report shall be recommended by the concerned Joint Registrar subject to the condition that the amount of sanctioned will be released only on satisfaction of the conditions stipulated in the Rules and guidelines and in the project report.

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Director


President


Secretary.

9. The joint Registrar on recommendation shall satisfy himself that the working of the society/store can be improved by the implementation of the Project. He shall record a certificate to this effect and send the same along with the application recommended by him.
10. The Assistant Registrar (General) of the Taluk, while recommending proposals for the 2nd year shall see that the responsibilities of the President and Staff as per the guidelines appended along with the Rules are fulfilled and shall certify to that effect.
11. The Registrar of Co-operative Societies shall be competent to sanction Government Contribution to the share capital of Primary Society/Store.
12. (1) The sanctioned amount shall be drawn by an officer of the society/store duly wuthorised for this purpose by the Board of Directors of the Society/Store on a bill countersigned by the Joint Registrar of Co-operative Societies of the District.

(2) The amount so drawn from the Treasury shall be deposited in a seperate interest bearing bank account specified by the Joint Registrar concerned, the choice being indicated by the store/society in the application.
13. The Society/store shall forward to the Joint Registrar concerned. a printed share certificate in favour of the Government of Kerala within one month of encashment of the bill. An agreement in form 'A' appended to these Rules shall be executed by the Society/Store before the withdrawal of the amount from the Bank Account.
14. The Government contribution towards the share capital of the society/Store under these Rules shall be for a period of 15 years to be repaid in 10 annual equal instalments, the 1st instalment commencing from the 6th anniversary of the drawal of the amount from the Treasury.

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[Signature]
Director


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President

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Secretary.

15. Notwithstanding anything contained in these Rules or in the byelaws of the society/store, it shall be open to the Government/Registrar of Co-operative Societies to withdraw at any time without assigning any reason, the whole or any portion of the Government shares and in which case the store/~~society~~ society shall be liable to refund to Government the value of the share so withdrawn, in a lump.
16. The dividend accruing on the share capital contribution by Government shall be remitted to the Treasury within one month after the declaration of the dividend by the General Body of the Store/Society.
17. The Government may, by order and for reason to be recorded in writing, exempt any society/store or class of societies from any of the provision contained in these rules.

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Director


President


Secretary

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Director

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President

[Signature]
Secretary

GUIDELINES WHICH FORM PART OF THE RULES

Role of Board of Management:-

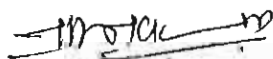
1. Immediately on selection, the Board of Directors shall prepare a list of recoverable assets and amounts due to the society and shall take to recover the same. The action proposed to be taken shall be noted in the minutes.
2. Board of Directors shall be responsible to see that accounts are made up-to-date every day.
3. The Board of Directors shall see that the selling prices are economically fixed. This shall be discussed and finalised in the meeting for each purchase.
4. The Board of Directors shall arrange quarterly verification of the stock.
5. If any shortages are found, recovery steps shall be taken against those who are responsible, within 7 days of detection of shortage.
6. Sufficient security deposit shall be obtained from the Secretary/Salesman, etc.
7. The Board of Directors shall meet at least once a month or as envisaged in the byelaws.

Role of Society Employees

8. They shall keep the accounts up-to-date every day.
9. They shall agree to furnish reasonable additional security deposits if found necessary.
10. They shall agree to remit stock deficits if any, that occur due to any laps on their part within a period of 7 days from the date of receipt of notice.

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Director


President


Secretary

Role of District Co-operative Bank

11. The District Co-operative Bank concerned shall agree not to adjust the assistance sanctioned under the scheme in any of tje society's previous debts even if there is overdue.
12. If any District Co-operative Bank is not willing to the above clause, the Joint Registrar shall instruct the society to deposit the amount in the nearby service Co-operative Bank or Urban Co-operative Bank.
13. If the Joint Registrar feels that it it necessary to exempt any society from any of the clause, he shall take a specific recommendation to that effect.

Instruction for opening new depots

14. The Board of Directors shall agree to engage only selling agents and not own staff in the case of depots proposed to be opened newly after the receipt of the assistance. Sufficient security shall be obtained from the agents so appointed so as to cover any possible deficit.
15. If any particular depot, where permanent employees of the society are working, is continuously on loss for the last 3 years, steps shall be taken by the Board of Directors to change the pattern of woking or location or to work on agency basis.
16. These guidelines shall accompany the application for assistance and the Board of Directors shall agree to follow them.




Director


President


Secretary

F O R M - A

This agreement is executed on this the day of between the society registered under the (hereinafter referred to as "the society") of the one part and the Governor of Jerala (hereinafter referred to as the Government) of the other part.

WHEREAS the society has applied to the Government for financial assistance by way of share capital under the Rules for the grant of share capital contribution to the Primary Consumer Co-operative Stores for implementation of Revitalisation scheme (hereinafter referred to as the "said rules").

AND WHEREAS the Government have agreed to the participation in the share capital of the society subject to the terms and conditions contained in the said rules and those hereinafter appearing.

NOW THESE PRESENTS WITNESS AS FOLLOWS:-

- (1) The amount of..... (advances to the society be utilised only for the purpose of share capital of the society and for no other purpose.
- (2) The society shall abide by all the terms and conditions contained in the said rules, a copy of which is herewith appended which shall form part of this agreement as incorporated herein.
- (3) In case the society commit breach of any of the terms and conditions herein contained or those contained in the said rules, the entire amount advanced shall become repayable in a lump at once and the society shall pay the same.
- (4) All sums found due to the Government under or by virtue of this agreement shall be recoverable from the society and the assets movable and immovable under the provisions of the Revenue Recovery Act for the time being in force as though such sums are arrears of public revenue due on land or in such other manner as the Government may deem fit.



[Signature]
Director

[Signature]
President

[Signature]
Secretary

- (5) The society agree to deposit the whole amount of received by them as share capital contribution of the Government in a separate Bank account specified by the Joint Registrar of Co-operative Societies..... The amount so deposited shall be withdrawn by the society with the prior permission of the Joint Registrar of Co-operative Societies.
- (6) The society shall forward to the Joint Registrar of Co-operative Societies a printed share Certificate in favour of the Government of Kerala within one month from the date of encashment of the amount of Government contribution towards the share capital.
- (7) The amount of Government contribution towards the share capital received by the society shall be returned in 10 annual equal installments of Rs..... the first installment shall be due on (H.E.the date) that is the 6th anniversary of the drawal of the amount by the society and the subsequent instalments on the corresponding dates of the succeeding years.
- (8) The dividend accruing on the share capital contribution by the Government shall be remitted by the society in the Treasury within one month after the declaration of the dividend by the General Body of Society.
- (9) Notwithstanding anything contained in this agreement or in the Rules, or in the order or in the byelaws of the Society. it shall be open to the Government or the Registrar of Co-operative Societies to withdraw at any time the whole or any part of the Government shares and in which case the society shall be liable to refund to the Government, the value of the shares so withdrawn.

In witness whereof Sri.....
 for and on behalf of the Society and Sri.....
 for and on behalf of the Governor have hereunto set their



[Signature]
 Director

[Signature]
 President

[Signature]
 Secretary.

hands and the seal of the society has hereunto affixed the day and year first above written.

Signed by Sri.....

(1)

(2)

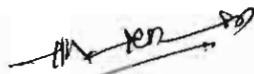
Signed by Sri.....

In the presence of witnesses:

(1)

(2)




Director


President


Secretary.

RULES FOR THE GRANT OF MANAGERIAL SUBSIDY TO PRIMARY
CONSUMER SOCIETIES/STORES UNDER REVITALISATION SCHEME

1. Primary Consumer Co-operative Societies/Stores which are selected by Registrar of Co-operative Societies for revitalisation shall be eligible for assistance as per these Rules.
2. The subsidy shall be admissible towards the cost of paid employees of the society/store such as Secretary/Manager/Clerk. The appointment shall be got approved by the Joint Registrar of the District concerned.
3. Assistance under these Rules will be over and above any other assistance already received by the society from Government.
4. The subsidy under these Rules shall be upto a maximum of Rs.30,000/- spread over for a period of 3 years subject to the annual maximum as shown below:
1st year - Rs.10,000/- (100% of the cost subject to a maximum of Rs.10,000/-)
2nd year - Rs.10,000/- (75% of the cost subject to a maximum of Rs.10,000/-) and
3rd year - Rs.10,000/- (75% of the cost subject to a maximum of Rs.10,000/-)
5. The Joint Registrar will be competent to sanction the assistance under these Rules.
6. The subsidy shall be sanctioned in advance to meet a part of the cost of staff for the financial year in which it is sanctioned.

[Handwritten Signature]
Director

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President

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Secretary.

