

Abstract

Co-operation - Rules for the payment of Share Capital Contribution to the Employees Credit Co-operative Societies/ Government Servant's Co-operative Societies - approval Order. Issued

CO-OPERATION (J) DEPARTMENT

G.O.(MS)No. 181/98/Co-Op. Dated, Thiruvananthapuram, 21.1.1998

- Read:
1. G.O.(MS)No. 273/80/MS. Dated 24.7.1980
 2. G.O.(MS)No. 845/82/MS. Dated 20.3.1982
 3. Letter No. 615/19/MS/A. Dated 23.5.1998 and 8.10.1998 from the Registrar of Co-operative Societies.

C O N C L U S I O N

In supersession of the orders read above, Government are pleased to approve the rules agreement and application form for the payment of Share Capital Contribution to the Employees Credit Co-operative Societies/Government Servants Co-operative Societies as appended to this order.

By order of the Governor

H. M. GANNA
JOINT SECRETARY TO GOVERNMENT

To

- The Registrar of Co-operative Societies Thiruvananthapuram.
- All the District Joint Registrar of Co-operative Societies
- The Account General (AGE), Thiruvananthapuram
- The Accountant General (Audit) Thiruvananthapuram
- (This issued with the concurrence of Finance Department, The Finance Department (Vidya) No. 700/A-1/MS/10. Dated 13.11.1998)
- Block File/Office Copy.

FORWARDED BY OFFICE

Section Officer

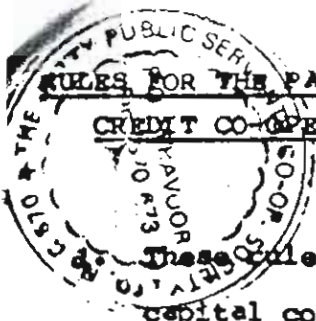
EPS Section

President *MSA*

Secretary

APPLICATION

1. Name of Society : T
2. Address of the Society : T
L
3. No. of members as on the date of application :
4. Authorised share capital :
5. Paid-up share capital as on the date of application :
- i) By members :
- ii) By Government :
- iii) Total :
6. The audit classification of the society in Preceeding Year :
7. Upto which period the audit of the society has completed :
8. Whether the society is one selected for assistance under these rules by Joint Registrar :
9. Whether the bye-laws of the society contains provisions for admission of Government as member of the Society :
10. Whether the society has a full time qualified Paid Secretary or Clerk :
11. The quantum of loans outstanding as on 31st March 2005 of the Preceeding year :
12. The total amount of loans issued during the previous year :
13. The percentage of overdue under loan as on 31st March 2005 of the Preceeding year :
14. Give the details of the amount of Government share capital outstanding with sanction order number and date amount of each sanction :
15. Whether the society has remitted the declared dividend to Government (If not give details) :



**RULES FOR THE PAYMENT OF SHARE CAPITAL CONTRIBUTION TO THE EMPLOYEES
CREDIT CO-OPERATIVE SOCIETIES/GOVERNMENT SERVANTS CO-OPERATIVE
SOCIETIES**


These Rules may be called the rules for the payment of share capital contribution to the employees credit Co-operative societies (hereinafter referred to as Employees Society or the Society).

2. An Employees Society to be eligible for assistance under the rules shall satisfy the following conditions namely:-
 - (a) The Society must be the one selected for assistance under Plan Scheme by the Joint Registrar of Co-operative Societies concerned.
 - (b) The Society shall have a minimum membership of 100 with a paid up share Capital of not less than Rs. 10,000/-
 - (c) The audit of the Society for the last Proceeding Year should have been completed and the audit classification of the Society for the said year should not be below category 'C'.
 - (d) The bye-laws of the Society should contain provisions for admission of Government as a member of the Society.
 - (e) The Society should employ full time qualified paid Secretary or paid Clerks.
3. A society to eligible for assistance under these rules shall also satisfy the following business requirements namely:-
 - (a) The loan issued during the Proceeding Year ended 31st March '05 should not be less than Rs. 1,00,000/-



: 2 :

- (b) The percentage of overdues under loans to outstanding as on 31st March 2005 of the immediate preceeding year should not exceed 30%.
- (c) The bye-law of the Society should have provision for advancing credit and for distribution of consumer articles to members.
4. The ratio of members share Capital contribution and Government contribution shall be at 1:5 subject to a maximum Government contribution of Rs. 50,000/- per Society.
 5. An employees Society obtaining Government assistances under these rules shall maintain such records, books of accounts as the Registrar of Co-operative Societies may prescribe from time to time.
 6. The Joint Registrar of Co-operative Societies of the District will be competent to sanction Government contribution to share Capital of Employees Credit Co-operative Societies.
 7. Application for Government participation under these rules should be submitted in Form No. A. appended to these Rules to the Joint Registrar's of Co-operative Societies concerned. It shall be supported by a resolution of the Managing Committee of the Society to submit such applications and agreeing to abide by these rules.
 8. The sanctioned amount shall be drawn by an Officer of the Society duly authorized for this purpose by the Board of Directions of the Society on a Bill countersigned by the Joint Registrar of Co-operative Societies concerned.



9. The Society shall forward to the Joint Registrar printed share Certificate in favour of Government of Kerala denoting the Number and value of share taken by Government in the Society within one month from the date of encashment of the Bill.

10. The Society should agree not to return any shares of the members unless the ratio of the Share contributed by them to the share Capital contributed by Government exceeds 1:5 as prescribed in Rule (4).
11. The Government contribution towards the share Capital of a Society under these rules will be for a period of 15 years repayable in 10 equal instalments. The first instalment commencing from 6th anniversary of the grant of the contribution.
12. Notwithstanding anything contained in bye-laws of the Society, it shall be open to Government or the Registrar of Co-operative societies to withdraw at any time the whole or any portion of Government shares in which case the Society shall be liable to refund to Government the value of the share so withdrawn.
13. The dividend occurring on the share Capital contribution by the Government shall be remitted into the Treasury within one month after the declaration of dividend by the General Body of the Society.
14. The Society receiving Government assistance under these rules shall execute an agreement in Form B appended to these rules.
15. The Government or the Registrar of Co-operative Societies may exempt any Employees Credit Co-operative Society from the provision of Rules 2(b), (c) and 3 (b) of the rules in deserving cases.
16. In case the Society commits breach of all or any of the items and conditions herein contained in the Rules and in the order sanctioning the Share Capital contribution the entire amount advanced shall become repayable in lump at once.



FORM - B

(See Rule-4)

THIS AGREEMENT is executed on this day of
. Two thousand and five BETWEEN
. (a Society registered
under the Kerala Co-operative Societies Act of 1969) and having the
registered office at (hereinafter referred to as "the Society") of
the one part and the Governor of Kerala (hereinafter referred to as
"the Government) of the other part).

WHEREAS the Society has applied to the Government for a sum of
Rs. (Rupees
.) by way of contribution to the Share
Capital of the Society under the rules for the grant of Share Capital
contribution to the Employees Credit Co-operative Societies (hereinafter
referred to as the Rules).

AND WHEREAS at the request of the Society the Government have
sanctioned a sum of Rs. (Rupees
. only) to the Society as per Order
No. dated. of the Joint
Registrar of Co-operative Societies (hereinafter referred to as the
Order which shall form part of this agreement as if incorporated
herein subject to the terms and conditions hereinafter contained and
those in the said order to which the Society has also agreed.

NOW THESE PRESENTS WITNESS AND IT IS AGREED AS FOLLOWS:

1. The society shall utilize the Share Capital contribution of
Rs. (Rupees
. only) for the purposes of
. (here enter the purpose)
and it shall not be utilized for any other purpose.



The Society shall repay to the Government the Share Capital contribution of Rs. (Rupees. only) in ten equal annual instalments at Rs. (Rupees. only) the first instalment being payable at the expiry of the 6th year from the date on which the Share Capital contribution was drawn by the Society and the subsequent instalments on the corresponding dates of the succeeding years.

3. In the case of default in payment of instalment of the Share Capital contribution in accordance with Clause 2 above the Society shall pay a penal interest at the rate of 2% per annum for the defaulted instalments.

4. The society shall furnish to the Joint Registrar of Co-operative Societies a printed Share Certificate in favour of the Government within one month from the date of drawal of the amount.

5. Notwithstanding anything contained in these rules or in the bye-laws of the Society but subject to the provisions of the Kerala Co-operative Societies Act it shall be open to the Government or to the Registrar of Co-operative Societies to withdraw at any time without stating any reason whatsoever the whole or any portion of the Government contribution and the Society shall there upon forthwith refund the amount so withdrawn in a lump sum at once.

6. The society shall remit the dividend occurring on the Share Capital contribution into the Government Treasury within one month from the date of declaration of the dividend by the General Body of the Society. The dividend shall be payable on the Share Capital contribution made by the Government and then with the Society from time to time after deducting the repayment by the Society.

7. The Society shall strictly abide by all the terms and conditions contained in the rules and in the said order.



8. In case the Society commit breach of all or any of the terms and conditions herein contained or those contained in the Rules and in the said order the entire amount advanced shall become repayable in lump sum at once and the Society shall pay the same.

9. It is hereby declared that the executants of this agreement on behalf of the Society shall have the power and to do as per. dated.

10. All sums found due to the Government under or by virtue of this agreement shall be recoverable from the Society and its assets movable under the provisions of Revenue Recovery Act for the time being in force as though such sums are arrears of Land Revenue and in such other manner as the Government or the Registrar of Co-operative Societies may deem fit.

In witness whereof Sri. and on behalf of the Government have hereunto set their hands and the seal of the Society has hereunto been affixed the day and year first above written.

Signed by Sri.

In the presence of witnesses:

- 1.
2.

Signed by Sri.