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GOVERNMENT OF KERALA
ABSTRACT

Cooperation - Scheme for establishment development of the working of Educational Cooperative Societies - Sanctioned.

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AGRICULTURE (COOP. ESTT.) DEPARTMENT

G.O.MS:116/82/AD.

Dated, Trivandrum; 24.3.1982.

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Read:- Letter No.HM(2)22089/81 dt. 29.8.81 from the Registrar of Coop:Societies, Trivandrum.

ORDER

The Registrar of Coop:Societies, in his letter read above, has forwarded a scheme for development of Educational Cooperative Societies in the State. He has pointed out that Educational Societies have ample scope for providing employment oppertunities to the educated unemployed paying salaries at reasonable rates. Further the Educational Societies are organised with the twin objectives of providing employment to the educated unemployed and educational facilities to a large number of students who pass out of the high Schools but do not obtain admission in colleges. The Registrar of Cooperative Societies has also reported that these societies will be able to provide education to the students by collecting fees at the reasonable rates.

2. The scheme envisages organisation of Cooperative Educational Societies having area of operation, a Taluk and the registered offices at the taluk headquarters. Graduates and post graduates who are inclined to take up teaching as profession will be admitted as members of the societies. The mangement of the societies will be carried on by the Honorary Directors limiting the paid employees to the minimum so that the cost of establishment will not be high. For the establishment of a society, it requires heavy investments on land, buildings, furniture, laboratory, Library etc. In addition to the resources to build up the above physical facilities, it has also to incure expenditure

on advertisements printing and stationary, T.A., office expenditure etc. Even though the societies will have income from the fees collected from the students, it will be difficult for them to find surplus to meet the expenditure of the sort mentioned above in the beginning. The Registrar of Cooperative Societies has, therefore, proposed that the societies may be given managerial subsidy towards the cost of the non-teaching staff for the first three years. It should be possible for societies to build up reputation and enroll a minimum number of 2000 students by the end of the third year and obtain fees to meet the cost of staff. According to the scheme the expenditure towards purchase of land, building, furnitur etc. is to be raised from share capital contribution by members, share capital contribution by Government and as loans from Bank. In order to facilitate the working of the institution the Registrar of Cooperative Societies also proposed that, during the first 3 years, the interest payable to the financing bank may also be subsidised by Government.

3. Government have examined the scheme in all its aspects. They are pleased to approve the scheme for payment of share capital contribution and managerial subsidy to the educational Cooperative Societies. The interest in respect of the loan taken by the society from financing Bank of the society will also be subsidised by Government under the scheme.

4. Government contribution to share capital of the societies will be made subject to the following conditions.

- 1.(a) Societies with minimum paid up share capital of Rs. 15,000/- only may be selected under the scheme.
- b. Only graduates and post-graduates who will take up teaching as the profession will be admitted as members apart from the Government.

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2. There shall be provision in the Byelaws for Government participation in the management. A minimum of 2 persons may be nominated to the Board of Directors.
3. The maximum share capital that may be contributed by Government shall not exceed Rs. 5 lakhs.
4. The application for share contribution in the prescribed form appended to these rules shall be accompanied by the following:
 - a. A resolution of the Board of Directors requesting for share participation by Government.
 - b. Undertaking by the Board of Directors to abide by the conditions of these Rules and to execute agreement in the form prescribed.
 - c. An estimate of the investments necessary on land, buildings, laboratory, equipments library and furniture.
5. The Joint Registrar of the District will be competent to sanction share contribution. The Joint Registrar shall after making such enquiries as are necessary to satisfy himself that the estimated cost of the project is reasonable and the society has chances of functioning profitably sanction the share capital.
6. The amount sanctioned will be drawn by the society in Bills countersigned by the Joint Registrar.
7. The amount drawn from the Treasury shall be deposited in the District Cooperative Bank to be

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released according to the necessity with the prior permission of the Joint Registrar.

8. Share capital contribution shall be utilised within a period of one year from the date of drawal from the Treasury. If for any valid reasons the society is not able to utilise the amount within one year the Registrar may extend the period for another 6 months.
9. The share capital contribution shall be returned in 10 annual instalments, the repayment of the first instalment commencing from 5th Anniversary of the drawal of the amount from the Treasury. In case of non-utilisation or mis-utilisation the whole amount shall be recoverable in a lump.
10. The society shall issue a share certificate in favour of Governor of Kerala within a month of drawal of the amount.
11. The land, buildings and other assets of the society shall not be alienated or subjected to any encumbrance during the period Government hold shares in the society.
12. The dividend, if any, declared on the shares held by Government shall be remitted immediately after dividend is declared as per instructions of the Joint Registrar.

5. Managerial subsidy will be given to this society on a tapering basis, 100% for the first year subject to a maximum of Rs.30,000/-. During the second and third year the subsidy will be limited to 75% and 50% respectively. Managerial subsidy will be granted subject to the following conditions.

1. The subsidy will be payable for the consecutive years commencing from the date of selection of the society by the Joint Registrar.
2. The appointment of the non-teaching staff shall be approved by the Joint Registrars.
3. The application for subsidy shall be made in the form appended to these rules supported by:
 - a. Resolution of the Board requesting for managerial subsidy.

- b. Resolution to the effect that the society will abide by these rules and instructions that the Joint Registrar may issue.
- c. Resolution to the effect that the subsidy shall be utilised for the purpose for which it is granted.
4. The Joint Registrar of the district will be competent to sanction the subsidy.
5. Subsidy will be claimed by the society quarterly in the bill for miscellaneous payment T.R.42 duly countersigned by the Joint Registrar.
6. The Joint Registrar will be competent to stop further payment of subsidy or to recover subsidy already given if in his opinion the society violate any of the condition of the rules or refuses to comply with the instructions issued by the Joint Registrar.
7. The society will furnish a certificate to the effect that the ~~xxxxxx~~ subsidy has been accounted correctly and utilised.
8. The Joint Registrar will furnish a utilisation certificate to the Accountant General under intimation to the Registrar of Co-operative societies.
9. Any sum found irrecoverable shall be recovered under provisions of the Revenue Recovery Act.

6. Interest subsidy in respect of the loan taken by the society from the financing Bank will be granted to the societies subject to the conditions given below:-

1. Societies availing institutional finance for capital investment on land, buildings, laboratory, equipments, library and furniture shall be eligible for interest subsidy.
2. Subsidy will be limited to Rs.30,000/- or actual amount charged by the Banks whichever is less per year.
3. Interest subsidy will be payable by way reimbursement of interest ~~xx~~ actually paid to the banks. Subsidy shall be claimed in quarterly instalments.
4. No subsidy shall be payable on instalments defaulted.
5. A society will be eligible for interest subsidy for a maximum period of three years.

6. The society shall claim interest subsidy in the form appended to these rules. The application for subsidy shall be accompanied by the following.
 - a. Copy of the resolution of the Board of Directors requesting for subsidy.
 - b. Copy of the resolution of the Board of Directors agreeing to abide by the condition of the rules and the instructions the Joint Registrar may issue in this regard.
 - c. A certificate to the effect that subsidy received earlier has been properly accounted in the books of the society.
 - d. A ~~statement~~ statement of claims indicating the loan No. Amount outstanding at the beginning of the quarter, due date of payment of instalments, actual date of payment of instalments, (principal, interest) amount repaid (principal and interest), amount of subsidy claimed.
7. The claims for subsidy will be recommended by the Assistant Registrar concerned after verification of the details furnished in the statement of claims referred to in 6 (d) above.
8. The Joint Registrar of the district shall be competent to sanction the subsidy. The subsidy will be drawn from the Treasury in Bills for Miscellaneous payments (T.R.42) duly countersigned by the Joint Registrar.
9. The society shall execute an agreement in the form prescribed before drawing the subsidy.
10. The Joint Registrar will be competent to stop payment of subsidy or to recover the subsidy already paid in case the society violates any of the conditions of these rules or instructions issued by the Joint Registrar.
11. ~~Any~~ Any payment in excess of the amount eligible for will be recovered from the society under the provisions of the Revenue Recovery Act.

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12. The Joint Registrar will furnish the utilisation certificate to the Accountant General under intimation to the Registrar.

7. The agreements to be executed by the society under rule 4(6) of the rules, for payment of share capital contribution and rule 9 of the rules for payment of interest subsidy will be issued separately.

(By order of the Governor)

A.T.MOHAMEDUNNY,

Addl. Secretary to Government.

To

The Registrar of Coop: Societies, Trivandrum.
The Accountant General, Trivandrum (this order issued with the Concurrence of working group on "Cooperation")
The Finance Department.

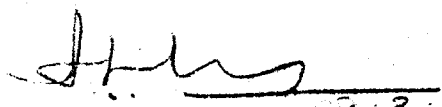
Endt.HM(2)14671/82.

Office of the Registrar of
Co-operative Societies,
Trivandrum, dated 27-3-1982.

Copy forwarded for information and necessary
action.

- 1) All Joint Registrars.
- 2) All Assistant Registrars (General).
- 3) Stock file.
- 4) P&M section.
- 5) Publicity wing.

Forwarded,


For Registrar of Coop: Societies. 27.3.82

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APPLICATION FOR MANAGERIAL SUBSIDY TO EDUCATIONAL
COOPERATIVE SOCIETIES.

1. Name and address of the society :
2. Categories of staff on whose behalf subsidy is claimed.
3. Whether the appointment of each person has been approved by the Joint Registrar (Note order No. & date).
4. Details of Name and Designation of employees and Pay and allowances disbursed to each persons month-wise (attach separate statement.)
5. Number and date of resolution requesting for the subsidy.
6. Amount of subsidy applied for and date.
7. Details of managerial subsidy so far received for the same purpose.

Amount.	Period for which sanctioned.	No. & date of sanction order.
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If the subsidy is claimed for previous years give reasons for not preferring the claim in time.

Amount:	Period for which sanctioned.	No. & date of sanction order.
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F O R M & A"

APPLICATION FOR THE PAYMENT OF GOVERNMENT SHARE CAPITAL CONTRI-
BUTION TO EDUCATIONAL COOP: SOCIETIES.

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1. No. and name of the Society :
2. Address of the Society. :
3. Date of registration. :
4. Date of starting. :
5. No. of members of the date of application. :
6. Paid up share capital as on date:
 - 7a) Members contribution. :
 - b) Government contribution. :
7. Whether the society has been selected under the plan schemes: :
8. Whether there is provision in the byelaws of the society for. :
 - 9a) State participation for share capital : :
 - b) " management. : :
9. Details of Government share capital received previously, if any. : :
10. Amount of share capital contribution now applied for. : -
11. Whether the committee has resolved to apply for share capital contribution and agreed to abide by the Rules as amended from time to time. If so enclose a copy of the committee resolution. : :
12. Present financial position of the society (enclose a tentative Balance sheet as on date). : :

Certified that the information furnished above are correct to the best of our knowledge and belief.

President :
Secretary :
Committee members : 1.
2.

Specific recommendation of Assistant Registrar.

FORM "C".
APPLICATION FOR PAYMENT OF INTEREST SUBSIDY TO EDUCATIONAL COOPER-
ATIVE SOCIETIES.

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1. No. and Name of the society :
2. Address: :
3. Amount of subsidy claimed. :
4. Period for which subsidy is claimed: :
5. Whether the society has adopted the required resolution as prescribed in the rules (No. & date of the resolution to be specified): :
6. Whether copies of the resolution attached. :

I do herewith certify that the details furnished above are true to the best of my knowledge and belief. I agree to abide by the conditions prescribed in the Rules while sanctioning the interest subsidy.

Place:

Date:

(Seal)

Secretary.

VERIFICATION CERTIFICATE.

Certified that the claim preferred by the society for interest subsidy have been verified with the books of accounts of the society and the society is eligible for a subsidy of Rs.

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Asst. Registrar of Co-op: Societies.

Recommendation.

An amount of Rs. may be sanctioned to the society as interest subsidy.

Asst. Registrar of Coop: Societies.

Orders of sanctioning authority.

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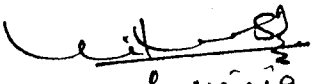

THIS AGREEMENT is executed on this the..... day
of..... 2007..... ~~two~~ thousand ~~nine~~ hundred and ^{two thousand & seven} ninety one,
between the Adoor Parallel College Co-operative Society Ltd.
No. 0746, registered under the Co-operative Societies act and
having its registered office at Adoor (herein after referred to
as the Society) of the one part and the Government of Kerala of the
other part.

WHEREAS the Society has applied to the Government for
payment of a sum of Rs. 100,000 (one lakh only) by way of the share
capital contribution to the society under the rules Governing
Government contribution towards the share capital to the Educational
Co-operative Societies which was approved by the Govt. as per
G.O. No. 116/82/A D dated 24..3..1982 herein after referred to as the
Rules which shall form part of this agreement (as if incorporated
herein)

AND whereas the government have in their order No.G.O.
No. 116/82/AD dated 24..3..1982 hereinafter referred to as the said
order, a copy of which is attached hereto and shall also form part
of this agreement (as if incorporated herein) sanctioned the payment
of a sum of Rs. 4,00,000 (Rupees four lakh only) to the society
subject to the terms and conditions contained in the said order
and the said rules and these hereinafter appearing to which the
society has also agreed.

NOR these presents witness and it is hereby agreed as
follows:-

- (1) The society shall utilise the share capital contribution
amount Rupees. 1,00,000 (One lakh only) for the purpose
of making furniture for class rooms and office rooms and
for purchase of suitable land, and shall not utilise for
any other purpose. The unutilised portions if any of the
amount paid shall be surrendered to the Govt. within time
fixed by the Registrar/Dy. Registrar of Co-operative
societies.
- (2) Equipments/properties purchased with the share capital
amount shall remain the property of the Govt. until the
entire share capital together with the penal interest

President, R. Unnikrishna Pillai, 


if any is repaid by the society to Government and until the terms and conditions of this agreement are fully complied with.


(3) The Society shall repay the share capital contribution amount Rupees. 1,00,000 (one lakh only) The repayment of the first instalment commencing from the 5th anniversary to the Government in equal annual instalment at Rs. 10,000/- (tenthousand only) anniversary of the drawal of the amount. The payments of the subsequent instalments shall be on the corresponding dates of the succeeding years. In case of utilisation of the amount wholly or partly, the whole amount shall be recoverable in a lump.

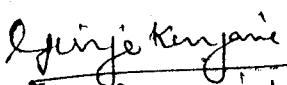
(4) In the case of default in payments of the instalment of the share capital contribution in accordance with clause (3) above, the society shall pay penal interest at the rate of 2½ percent per annum for the defaulted instalments.

The Society shall furnish to the Joint Registrar of Co-operative Societies (General) of the District Concerned a printed share certificate in favour of the Govt. within one month from the date of encashment of the bill. A list of equipments purchased by the society with the share capital amount will also be furnished to the Joint Registrar.

(6) Notwithstanding anything contained in the rules or in the bye-laws of the society. It shall be open to the Government to withdraw at any time without standing any reasons whatsoever the whole or any portion of the Govt. contribution and the Society shall be liable to refund the amount so withdrawn in a lump at once.

(7) The Society that remit the dividend accruing on the share capital contribution in the nearest Govt. treasury and the chalan receipt shall be forwarded to the Registrar of Co-operative societies within one month from the date of declaration of the dividend by the general body of the Society.

President R. Annikrishna Pillai -  Contd. . . .3/-

Secretary. J.  Kirija Kirjane