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MP3
OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES
THIRUVANANTHAPURAM. ★ 831/138
GOVERNMENT OF KERALA

ABSTRACT

24482

National Co-operative Development Corporation (NCDC) Scheme -
Rules for payment of financial assistance by way of Margin
Money/Long Term Loan to Primary Agricultural Marketing
Co-operative Societies under NCDC Scheme - Approved -
Orders Issued.

AGRICULTURE (I.P.) DEPARTMENT

G.O. (MS) No. 144/2001/AD Dated, Thiruvananthapuram, 5-6-2001

Read.- Letter No. MP3/16664/99 dated 6-5-99 from the
Registrar of Co-operative Societies, Thiruvananthapuram.

ORDER

The Registrar of Co-operative Societies as per his letter
read above has reported that the rules for payment of financial
assistance to Primary Agricultural Marketing Co-operative
Societies by way of Margin Money Assistance/Long term loan were
not framed since NCDC has introduced the scheme newly,
and has forwarded draft rules for approval.

Government have examined the matter in detailed and
are pleased to approve the rules appended to this order for
the payment of financial assistance by way of Margin Money/
long term loan to Primary Agricultural Marketing Co-operative
Societies under the scheme of NCDC.

(By Order of the Governor)

ANI P. JACOB
DEPUTY SECRETARY TO GOVERNMENT

To

- The Registrar of Co-operative Societies, Thiruvananthapuram.
- The Managing Director, G-ciri Institutional Area, Hauz Khas,
New Delhi-010016.
- The Deputy Regional Director, NCDC, Thiruvananthapuram.
- The District Treasury, Thiruvananthapuram.
- The Accountant General (Audit/A&E), Thiruvananthapuram
(This issues with the concurrence of Finance Department).
- The Finance Department vide U.O.No.105440/AMC1/2000/Fin.
dated 23-4-2001.
- The Stock File.

FORWARDED BY ORDER

[Signature]
SECTION OFFICER

RULES FOR PAYMENT OF FINANCIAL ASSISTANCE UNDER ICDC SCHEME TO
PRIMARY AGRICULTURAL MARKETING CO-OPERATIVE SOCIETIES BY WAY OF
MARGIN MONEY/LONG TERM LOAN.

- 1) All Primary Agricultural Marketing Co-operative Societies under the Administrative Control of the Registrar of Co-operative Societies will be eligible for financial assistance from Government under ICDC scheme for improving their marketing activities.
- 2) (a) The application for financial assistance under these rules, shall be made in Form A and forwarded to the Registrar of Co-operative Societies, through the Joint Registrar of Co-operative Societies of the District concerned; subject to the condition that applications of viable/potentially viable societies only shall be recommended.
(b) The application shall be supported by a Resolution of the Managing Committee of the society specifying the nature and the amount of assistance required and agreeing to abide by these rules and the instructions issued by the Registrar of Co-operative Societies or Government from time to time.
- 3) The Co-operative Society seeking assistance should prepare viable project report on the proposed project or activity to be implemented. The project report will be prepared by the approved agencies and Joint Registrar of the District concerned should review the project report and its scope. Such Review report should be attached to the proposal.
- 4) There should be adequate provision in the bye-laws of the society for the proposed activity to be undertaken by the society.

The Co-operative Society shall be viable or potentially viable or with scope for future development and potential to expand their business turn over and diversification of activities.

Certificate to this effect from the Joint Registrar should be forwarded along with the application.

- 6) The society should have a positive net worth.
- 7) The society is not a chronic defaulter to the State Government or to the financing Bank or to the apex institution.
- 8) It has an elected Board of Directors
- 9) The society is engaged in Primary Agricultural Marketing
- 10) The Society shall have a fully qualified and competent Secretary.
- 11) The Project report shall be approved by the Registrar of Co-operative Societies.
- 12) The maximum amount of assistance will be fixed by NCDC subject to the limits of maximum borrowing power fixed in the bye law of the society. Maximum borrowing power will be ten times of the paid up capital subject to the limit of maximum borrowing power fixed in the bye-laws.
- 13) Margin Money assistance will be provided by way of loan and share in the proportion of 75% and 25% respectively in the case of societies running with accumulated loss but having positive net worth.
- 14) Assistance provided under the scheme shall be utilised for the purpose for which they are sanctioned.
- 15) The amount sanctioned shall be drawn by the Registrar of Co-operative Societies/Joint Registrar of the District concerned.

- 16) The long term loan under these rules will be for a period of 10 years repayable in 10 equal instalments. Payment of the first instalment shall commence from the first year of deemed date of drawal of loan and the subsequent instalment shall be paid on the corresponding date during the succeeding year. In the event of default in repayment of annual instalment the society is liable to pay penal interest @ 2 1/2% for the defaulted instalment.
- 17) Loan shall bear interest at the rate fixed by Government from time to time. In any case, the rate of interest should not be less than that fixed by LICDC.
- 18) Share capital contribution shall be retired in 10 equal annual instalments. Payment of first instalment shall commence from the 1st year of the deemed date of drawal of share.
- 19) Divident declared for a member should be given to Government also. The divident should be remitted as soon as the same is paid to the members.
- 20) If the society makes default in the repayment of any instalment or instalments the entire loan with interest as on the date of payment shall become recoverable in lump.
- 21) - The Registrar of Co-operative Societies is competent to order the recovery of assistance under these rules. All amounts ordered to be recovered shall be recoverable as though they are arrears of land revenue under the provisions of the Revenue Recovery Act for the time being in force.
- 22) The President, Secretary and all the members of the Managing & Committee of the Society shall be jointly and severally responsible for the proper utilisation of the assistance received under these rules.
- 23) The society receiving the Government assistance under these Rules shall execute an agreement in Form 'B' and a mortgage deed in form 'C' appended to these rules. The agreement and mortgage deed shall be signed on behalf of the society by the President.

the Secretary and three members of the Managing Committee.

The agreement and the mortgage deed shall be kept under the safe custody of the Joint Registrar of Co-operative Societies (General) of the District concerned.

- 24) The Joint Registrar of Co-operative Societies (General) of the District concerned shall be responsible for maintaining the accounts with regard to the financial assistance sanctioned to the society under the scheme and for watching the due fulfilment ~~is~~ of the terms and condition of the assistance and repayment of loan instalment and interest due thereon to Government.
- 25) Arrears of more than two years in finalisation and audit of account shall be a disqualification for receipt of loan under the scheme.
- 26) The assistance sanctioned under these rules should be utilised as per the time schedule incorporated in the project report. The Joint Registrar of Co-operative societies shall be competent to extend the period of utilisation for six months on genuine grounds. After this such powers will rest with the Government. The utilisation of loan will be subjected to proper audit.
- 27) The Joint Registrar of Co-operative Societies (General) of the District concerned shall watch the utilisation of the loan and arrange to furnish the Utilisation Certificate to the Accountant General, Kerala with copy to the Registrar of Co-operative Societies in time. The Joint Registrar of Co-operative Societies (G) of the District shall watch the utilisation of the loan and arrange to get the utilisation certificate.
- 28) Sanction of loan will also be Governed by the terms and conditions fixed by the NCLC in this regard. The terms and conditions fixed by the NCLC on this account in each case should also be approved.
- 29) The pattern of assistance will be the same on that is approved by NCLC.

NATIONAL CO-OPERATIVE DEVELOPMENT CORPORATION MARKETING SECTION
APPLICATION FOR AVAILING NCDC'S FINANCIAL ASSISTANCE FOR LONG
TERM LOAN OF CO-OPERATIVE MARKETING SOCIETIES FOR DEVELOPMENT
OF BUSINESS ACTIVITIES

1. GENERAL

a) Name and addresses of the Society:

b) Year of commencement of business :

c) Area of operation & number of villages covered.

2. MEMBERSHIP & SHARE CAPITAL

TYPE	TOTAL NUMBER OF SOCIETIES WITHIN AREA OF OPERATION	NUMBER OF MEMBERS	SHARE CAPITAL AMOUNT IN LAKHS AS ON
I. PACS			
II. FSS			
III. ISS			
IV. LAMPS			
V. OTHER			
VI. S.C.			
VII. S.T.			
VIII. WOMEN			
IX. ST. GOVT.			
X. INDIVIDUALS			
TOTAL			

MANAGEMENT

Whether the Society is managed by :

- 1. A full-time Manager
 - ii. Whether Manager is Trained
 - iii. Own employee/deputationist
4. Whether the Board of Management is:
- i. Elected
 - ii. Nominated

5. Date of last Annual General body meeting held:

6. BUSINESS OPERATIONS.

ACTUAL BUSINESS OF PREVIOUS TWO YEARS (Rs. in la-khs)	TARGET DURING THE YEAR	ACHIEVEMENT TILL DATE.
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- i. Marketing of Agricultural products
 - a. As agents of Farmers.
 - b. Under price support operations.
 - c. Outright purchase.

Sub-total of (i)

- ii. Distribution of Agricultural inputs.
 - a. Fertilizer as agents
 - b. Fertilizer on cash sale basis
 - c. Others

Sub-total of (ii)

iii. Distribution of Consumer goods.

- a) PDS
- b) NON-PDS

Sub-total of (iii)

GRAND TOTAL OF (i) + (ii) + (iii)

7. MAIN CROPS OF THE AREA, QUANTITIES HARVESTED AND BUSINESS DONE BY SOCIETY DURING THE PREVIOUS YEAR:

NAME OF THE CROP	TOTAL QTY. OF CROP	QTY. MARKETED BY SOCIETY	VALUE IN LAKHS
i. Rubber			
ii. Paddy			
iii. Tapioca			
iv. Coconut			

8. FINANCIAL PERFORMANCE/POSITION

- a) Amount of assistance received earlier from NCDC:
 - for Marketing activities.
 - For processing activities
 - For storage
 - For consumer distribution
 - Others if any

9. RESERVES AND OTHER FUNDS

Out of reserves & other funds how much available for business:

PROFIT (+) OR LOSS (-)

- i. for the year and
- ii. Cumulative position.

-: 4 :-

Note: If accumulated loss (as on

Give reasons for such losses

- 10. Year upto which Audit completed.
- 11. Audit classification, if any
- 12. Amount of Long Term Loan assistance required.

SIGNATURE OF
MANAGING DIRECTOR

PRESIDENT

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FORM - B

THIS AGREEMENT is executed this day
of between the
a society registered under the Kerala Co-operative Societies
Act 1969 (21 of 1969) and
having its registered office at
(hereinafter referred to as the "Co-operative Society") of the
one part and the Governor of Kerala (Hereinafter referred to as
"the Government") of the other part.

WHEREAS the Co-operative Society has applied to the
National Co-operative Development Corporation/Government for
Margin Money Assistance/Long term loan Rs.
(Rupees) for the
development of Marketing activities Scheme
under the rules for the payment of financial assistance under
the NDC National Co-operative Development Corporation Scheme
to the Primary Agricultural Marketing Co-operative Societies
for Developmental activities (hereinafter referred to as
"the Rules").

AND WHEREAS the Government/National Co-operative Development
Corporation have sanctioned a long term loan of Rs.
(Rupees) etc.
to the Co-operative Society for the above purpose subject to -
the terms and conditions in the Rules and those herein contained.

NOW THESE PRESENTS witness and it is hereby mutually
agreed as follows:-

1. The Margin Money Assistance/Long Term Loan of
Rs. (Rupees)
sanctioned to the society according to the repayment schedule
approved as per the sanction order.
2. The financial assistance sanctioned shall be utilised by
Co-operative Society for developing business activities as per
the project report prepared by society and approved by the
Registrar of Co-operative Societies within the time limit
specified in the Rules.

3. The Co-operative Society agree to and shall abide by the terms and conditions contained in the Rules governing the assistance, a copy of which is herewith appended and the Rules shall form part of this agreement.

4. In case the Co-operative Society commits breach of any or all of the terms and conditions herein contained or contained in the Rules or order the entire amount granted shall become payable in a lump at once and the Co-operative Society shall pay the same on demand by the Registrar, Government.

5. All sums found due to the Government under or by virtue of this agreement shall be recoverable from the Co-operative Society from its assets both moveable and immovable under the provisions of the 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 Registrar, Government may deem fit.

In witness whereof Sri.
President and Sri.
and Sri. and Sri.
. for and on behalf of the Co-operative Society
and Sri. for and on behalf of
the Governor of Kerala have herein set their hands and the
seal of the Co-operative Society has hereunto been affixed
the day, month and year first above written.

- Signed by the said Sri. 1.
- 2.
- 3.
- 4.
- 5.

for and on behalf of the Co-operative Society in the presence
of witnesses.

1.

2.

Signed by Sri.
for and on behalf of the Government of Kerala in the presence
of witnesses.

1.

2.

7

DEED OF MORTGAGE made this the day of

the society registered under the Kerala Co-operative Societies Act 1969 (21 of 1969) and having its registered office at (hereinafter called "the mortgagor") in favour of the Governor of Kerala (hereinafter called "the Government").

WHEREAS the mortgagor has applied to the Government/National Co-operative Development Corporation for a loan of (Rupees) under the rules for the payment of financial assistance to Primary Marketing Co-operative Societies for Development of business activities hereinafter referred to as "the Rules").

WHEREAS the National Co-operative Development Corporation/Government/Registrar of Co-operative Societies in order No./Proceeding No. Dated hereinafter referred to as the "said order" sanctioned the payment of the loan of (Rupees) to the mortgagor for the purpose of development of marketing activities subject to the terms and conditions contained in the said order and in the Rules, copies of which are hereto attached and which shall form part of this deed as if incorporated therein and subject to the terms and conditions hereinafter appearing.

NOW THESE PRESENTS WITNESS as follows:-

..... of (Rupees) sanctioned to National Co-operative Development Corporation/Registrar/Government/doth hereby transfer by in the to the Government all properties described in schedule hereunder written to the effect that the properties and the buildings thereon shall

.....2/-

remain and be charged by way of security for the due and delinquent repayment to the Government of the said loan amount with interest, penal interest and cost if any, in accordance with the rules and the said order and for the due fulfilment that the Mortgagor of the terms and conditions herein contained in the Rules and in the said order and that the Government shall have the first charge over the same.

2. The Mortgagor doth hereby agree that the Mortgagor shall abide by the terms and conditions contained in the rules and the said order which shall form part of this deed.

3. The Mortgagor assumes the Government that the Mortgagor is the absolute owner of the properties hereby mortgaged and that they are free from any encumbrance or charge of any subscription whatsoever and are not subject to any attachment or restraint or alienation.

4. The Mortgagor shall not during the continuance of the mortgage create any mortgage lien or charge by way of hypothecation pledge or otherwise create encumbrance of any kind whatsoever in respect of properties described in the Schedule hereto or let or lease or part with possession of the same and they shall remain and continue to remain free from any encumbrance or liability whatsoever.

5. The Mortgagor doth hereby agree that the amount of the loan shall not be utilised for any purpose other than that for which it is granted.

6. The Mortgagor shall maintain a separate register and render correct accounts of the expenditure incurred out of the loan. The account shall be open for inspection by any officer authorised in this behalf of the Government or Registrar of Co-operative Societies.

7. The loan shall bear interest at the rate prescribed by Government from time to time.

8. The principal amount of loan and interest therein shall be repaid by the Mortgagor as prescribed in sanction order.

9. If any instalment of principal or interest is not paid on the due date a penal interest at the rate of 2 1/2% in addition to the usual rate shall be paid on the amounts which have become overdue.

10. In case the Mortgagor fails to comply with all or any of the terms and conditions on which the said loan has been granted either by utilising the loan amount or any part thereof or otherwise there is provided in the said rules or shall not duly repay the amount of the said loan or any part thereof or otherwise than as provided from the said rules or shall not duly repay the amount of the said loan or any part thereof or any interest thereon or commit breach of all or any of the terms and conditions herein contained or the Rules or in the said order and in any such case the Government/Registrar of Co-operative Societies shall be competent to recover the entire sum therein outstanding in a lump at once. The Government shall have power to proceed against the properties herein mortgaged and charged and the Government shall have all the powers vested in a mortgage under the Transfer of Property Act.

11. The Mortgagor doth hereby further agree that without prejudice to and in addition to other mode of recovery all sums found due to the Government under or by virtue of these presents shall be recoverable from the Mortgagor and its properties movable or immovable as if such sums are arrears of Public Revenue due on land under the provision of the Revenue Recovery Act for the time being in force and in such other manner as the Government may deem fit.

12. The Mortgagor assumes the Government that the executants hereof on behalf of the Mortgagor have got full power and authority to do so as per (H.E. authority)

In witness whereof Sri.
(President) and Sri. (Secretary/
Manager/Managing Director) and Sri.
Board Member) for and on behalf of the Mortgagor have here
set their hands the day, month and year on first above writt

S C H E D U L E

(Here enter details of property, details of buildings
therein and other Assets).

1. Signed by Sri. (President)
2. Signed by Sri. (Secretary)

SECRETARY/MANAGER/MANAGING DIRECTOR.

3. Signed by Sri. (Board Member)
4. Signed by Sri. (Board Member)
5. Signed by Sri. (Board Member)

for and on behalf of the Co-operative Society in the
presence of witnesses.

1.

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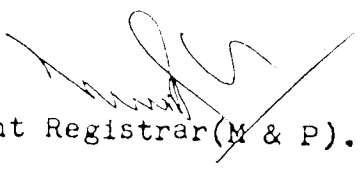
Signed by Sri.
for and on behalf of the Governor of Kerala in the presence
of witnesses.

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(17) 9
Endt. on MP3/16664/99

Copy communicated to Joint Registrar (General/Audit)
Assistant Registrar (General/Audit) through Joint Registrar
(General/Audit) for information and necessary action.


Joint Registrar(M & P).

Copy to: :-

1. The Table of Registrar of Co-operative Societies.
2. Table of Joint Registrar(M & P).
3. The Editor, Sahakarana Veedhi.
4. Stock File.
5. Spare.

