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GOVERNMENT OF KERALA

Abstract

Co-operation Department – Guidelines for the payment of financial assistance by way of Subsidy, Share capital and Loan under the scheme of Revitalisation of Weak Marketing Societies- Rules approved- Orders issued.

CO-OPERATION (B) DEPARTMENT

G.O (Ms) No. 99/2013/Co-op Dated, Thiruvananthapuram, 29.07.2013

- Read:-
- 1) Letter No. MP (3)57257/12 dated 08.02.2013 from the Registrar of Co-operative Societies, Thiruvananthapuram.
 - 3) Decision of the Working Group held on 19.02.2013

ORDER

3

As per the letter read as 1st paper above, the Registrar of Co-operative Societies has forwarded a proposal for approval of the Guidelines for the payment of financial assistance by way of Subsidy and Share capital under the scheme of Revitalisation of Weak Marketing Societies. The Working Group Meeting of Co-operation Department held on 19.02.2013 has approved the proposal and directed to modify the pattern of assistance as Subsidy, Share capital and Loan in the ratio of 2:2:1.

2. Having examined the matter in detail, Government are pleased to approve the Guidelines for the payment of financial assistance by way of Subsidy, Share capital and Loan under the scheme of Revitalisation of Weak Marketing Societies as resolved by the Working Group. The approved Guidelines are appended to this order.

(By order of the Governor)

DR. V.M. GOPALA MENON
SECRETARY TO GOVT.

To

- ✓ The Registrar of Co-operative Societies, Thiruvananthapuram.
- The Principal Accountant General (A&E/Audit) Kerala, Thiruvananthapuram.
- The Finance Department (U.O No. 26891/AW.C1/2013/Fin dated 22.07.2013)
- The Planning & Economic Affairs Department.
- Stock File/ Office Copy.

Forwarded/By order

[Handwritten Signature]
Section Officer

**Guidelines for the payment of financial Assistance by way of
Subsidy, Share Capital and Loan under the scheme of Revitalisation
of Weak Marketing Societies.**

- 1) These Rules may be called the Rules for the payment of financial assistance by way of Subsidy, Sharecapital and Loan to Weak Marketing Societies for their revitalisation.
- 2) Financial Assistance for revitalisation by way of Subsidy, Share capital contribution and Loan may be given by the State Government to all types of weak but potentially viable Marketing Societies in accordance with the project report for revitalisation prepared by the society and approved by the High Level Committee/Working Group constituted by the Government for the purpose.
- 3) The assistance will be provided to weak but potentially viable Marketing Co-operative Societies for the expansion of marketing activities, rehabilitation of existing marketing units etc.
- 4) The maximum assistance payable under the scheme will be limited to 90% of the project report, subject to a maximum of Rs. 20 lakhs on the basis of a project report, prepared by the Society and approved by the Registrar of Co-operative Societies. The 10% of the project cost and over and above the Government assistance shall be met by the society, as its own contribution. The assistance under this guidelines will be in the form of Subsidy, Sharecapital and Loan in the ratio 2:2:1.
- 5) The societies considered under this scheme should satisfy the following condition.
 - a) The society shall have a fully qualified full time paid Secretary/Chief executive and an elected Managing Committee to implement the scheme.

- 9) The Marketing society receiving assistance under these Rules shall execute an agreement in Form A for the sharecapital contribution sanctioned and a Mortgage Deed in form B for Loan amount sanctioned before withdrawing the amount.
- 10) The assistance sanctioned under the scheme shall be utilised within a period of twelve months from the date of drawal of assistance and if the society fails to utilise the amount within one year, the entire assistance with interest as on date shall be refunded to Government in lump. The Joint Registrar (General) of the concerned district shall maintain Demand Collection Balance Register under the scheme and shall watch the utilisation of assistance, retirement of share capital contribution and furnish the utilisation certificate of the assistance to the Accountant General, Kerala in due course, through Registrar of Co-operative Societies.
- 11) The share capital contribution under the scheme shall be refunded in ten annual instalments, and the first instalment will be due from the 3rd year from the actual date of receipt of the sharecapital contribution and the subsequent instalments on the corresponding date during the succeeding years.
- 12) The loan amount is repayable in 10 (Ten) annual instalments along with the interest. There will be a moratorium for 2 years to enable the society to tide over initial difficulties. The first instalment falling due on the expiry of the third year of the date of drawal of the amount from the treasury.
- 13) The loan shall carry interest at the rate fixed by the Government from time to time.



- b) The society should be working in loss
 - c) There should be adequate provision in the byelaw of the society for state participation in the Share capital of the society.
 - d) There should not be any enquiry against the society and should be free from corrupt practices.
 - e) The society should execute a hypothication deed/mortgage deed to avail the loan portion of assistance in Form B.
- 6) The Registrar of Co-operative Societies/ Joint Registrar of Co-operative Societies may give permission to the society concerned to withdraw the amount after satisfying himself that the society has fulfilled the conditions stipulated in the project report for rehabilitation submitted by the marketing society and has approved by the High Level Committee/ Working Group.
- 7) The sanctioned amount will be drawn by the Registrar of Co-operative Societies. The Institution shall not withdraw the amount deposited or any part thereof without the prior permission of the Registrar of Co-operative Societies/ Joint Registrar of Co-operative Societies of the district. The Assistance under these Rules shall be utilised only for the purpose for which it is sanctioned. The assistance shall be utilised in accordance with the condition stipulated in the Rehabilitation project approved by the High Level Committee/Working Group.
- 8) All the conditions stipulated in the Rehabilitation project report shall be fulfilled by the Marketing Society. The terms and conditions of the rehabilitation project approved and those contained in the orders of the Government/Register of Co-operative Societies sanctioning the financial assistance shall form part of these Rules.



Form - A
AGREEMENT

THIS AGREEMENT is executed on this day
of between the
.....
a Co-operative Society registered under the Kerala Co-operative Societies Act (21 of
1969) (here in a after referred to as the society) of the one part and the GOVERNOR
OF KERALA (herein after referred to as "the Government") on other part.

Where the Society has applied to Government for financial assistance by way
of share capital contribution and subsidy under the scheme for Rehabilitation package
of weak but potentially viable co-operatives/revival of defunct Primary Co-operative
Societies and whereas Government have agree to sanction the financial assistance
subject to the terms and conditions contained in the Rules approved by Government
this behalf. Now these presents witness and it is hereby agreed as follows:-

- 1) The amount of/(Rupees
.....
sanction to the society, as sharecapital and Rs
sanctioned to the society as subsidy shall be utilised only for implementation of
the Revitalisation scheme approved by the High Level Committee/Working
Group.
- 2) The 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 the agreement.
- 3) The Society agrees to utilise the share capital contribution and the subsidy
within one year from the date of sanction of amount and any amount remaining
unutilised after one year shall be refunded to Government.
- 4) The society shall return/refund the sharecapital contribution amount of
Rs. (Rupees
.....) in ten equal annual instalments and the

[Handwritten signature]

- 14) Dividend if any, accrued on the share allotted to the Government shall be paid to the Government by remittance into the Treasury within one month after the distribution of profits for each year is approved by the General body of the society.
- 15) If the society makes default in the repayment of sharecapital or loan instalment or interest any instalment or instalments of the assistance, the entire amount sanctioned under the scheme with interest as on the date shall become recoverable in lump. The Registrar of Co-operative Societies is competent to order for the recovery of assistance under the scheme under the provision of the Revenue Recovery Act, 1969 for the time being in force.
- 16) The president, the Board of Directors and the Secretary/Chief Executive of the society shall jointly and severally be responsible for the proper utilisation of the assistance received under the scheme.
- 17) The Registrar of Co-operative Societies/Joint Registrar of the district will conduct periodical review of the results of the implementation of revitalisation project so as to ensure the proper utility of the assistance.
- 18) The Government may by an order in writing exempt the societies/institutions from all or any of the provisions of these rules.

7/5/77

In witness where of Sri President
 and Sri Secretary/Manager/
 Managing Director) and Sri. (Board Member)
 for and on behalf of the society and Sri/for
 and on behalf of the Governor of Kerala have here unto set their hands and the seal of
 the society has hereunto been affixed the day month and year first above written.

Signed by

Sri. (President)

Sri. (Manager)

Secretary/Managing Director

Sri. (Board Member)

for and on behalf of the society
in the presence of witnesses

1) Sri

2) Sri

Signed by Sri

for and on behalf of the Government of Kerala
In the present of witness

1) Sri

2) Sri

A handwritten signature or set of initials, possibly 'A. J. P.', is written in the bottom right corner of the page.

first instalment commencing from the 3rd anniversary of the date of drawal of the amount from treasury and the subsequent instalments on the corresponding dates of the succeeding years.

- 5) In the case of default in payment of instalments in accordance with the Rules the society shall pay penal interest at the rate of 2 ½ per annum for the defaulted instalments.
- 6) The society shall furnish to the Joint Registrar of the District concerned a printed share certificate in the name of the Governor of Kerala within one month from the date of encashment of the bill for the amount.
- 7) The society shall remit the dividend accruing on the share capital contribution made by the Government and then with the society from time to time after deducting the repayments made by the society.
- 8) Notwith standing anything contained in the Rules or in the byelaws of the society it shall be open to the Government to withdrawal any time without stating any reason whatsoever, the whole or any portion of the Government share capital contribution and the society shall be liable to refund the amount so withdrawn in a lump at one.
- 9) In case the society commits 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 at once by the society.
- 10) It is hereby declared that the executants of this agreement for and on behalf of the society have the power and authority to do so by virtue of(Here enter the authority)
- 11) All sums found due to the Government under or by virtue of this agreement shall be recoverable from the society and its assets both movable 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 Government may deem fit.

contained and those contained in the Rules and in the said order and that the Government shall have 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 assures 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 discription what so ever and are not subject to any attachment or restraint or alienation.
- 4) The Mortgagor shall not, during the continuance of this mortgage create any mortgage lien or charge by way of hypothication pledge or otherwise create encumbrance of any kind what is ever in respect or properties described in the schedule hereto or let or leave 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 loan shall not be utilised for any purpose other than that for which it is granted and the amount will be utilised in accordance with the conditions stipulated and approved by High Level Committee/Working Group.
- 6) The loan shall bear interest at the rate prescribed by Government from time to time.
- 7) The Mortgage shall maintain a separate Registrar and render correct accounts of the receipts and repayment of the loan and interest and the accounts shall be opened for inspection by such officers authorised in this behalf by the Government/Registrar of Co-operative Societies.
- 8) The Principal amount of loan shall be repaid by the Mortgage in ten annual instalments of Rs...../-(Rupees) each the first instalment shall become due on the date of expiry of three years from the date of drawal of the loan amount from the treasury and there after the subsequently instalments shall become due on the corresponding dates of the succeeding years until the loan is fully repaid. The interest shall be paid annually the first

FORM B

This deed of mortgage made this the day of
 by the
 a Co-operative Society
 Registered under the Kerala Co-operative Societies Act 1969 (Act 21 of 1969) and
 having its registered office at (herein after called
 "the Mortgagor") in favour of the Governor of Kerala (here in after called the
 Government)

Whereas the Mortgagor has applied to the Government for a loan of
 Rs.....(Rupees)
 under the Rules for the Grant of assistances under the "Rehabilitation package of
 weak but potentially viable Co-operative societies" and Revival of Defunct Primary
 Co-operative Societies (here in after referred to as "the Rules")

Whereas the Government/Registrar in order No. dated (Here in
 after referred to as the said order sanctioned the payment of the loan of Rs.
 (Rupees)to the mortgagor subject to
 the terms and conditions contained in the said order and in the Rules, copies of which
 are here to attached and which shall form part of this deed a if incorporated herein and
 subject to the terms and conditions herein after appearing.

Now these presents witness as follows:-

- 1) In consideration of the sum of Rs (Rupees)
) sanctioned to the
 Mortgager by the Government the Mortgagor hereby transfer buy way of
 simple mortgage to the Government all the properties and other assets
 described in the scheduled here under, to the intent that the said properties and
 other assets shall 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 ord
 and for the due fulfillment by the mortgagor of the terms and conditions her

instalment being payable on the date proceeding the date of the third anniversary of payment of the loan and the subsequent years interest on the corresponding dates of succeeding years.

- 9) If any instalment of principal or interest is not paid on the due date a penal interest at the rate of 2 ½ % 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 applying the loan amount or any part thereof or otherwise than as provided in the said Rules or shall not duly repay the amount of the loan or any part thereof or any interest therein or any part thereof or commit breach of all or any of the terms and conditions herein contained or in the Rules or in the said order than and in any such case the Government shall be competent to recover the entire sum thereon outstanding, in lump at once and the Government shall have power to proceed against the properties herein mortgaged and charged and the Government shall have all the powers vested in or mortgage under section 69 and 69 A of transfer of property Act (Act 14 of 1882).
- 11) The Mortgagor doth hereby further agree that without prejudice to and in addition to other modes of recovery, all sums found due to the Government under or by virtue of those presents shall be recoverable from the mortgagor and its properties movable and immovable as if, such sums are arrears of public revenue due on land under the provisions of the Revenue Recovery Act for the time being in force and in such other manner as the Government may deem fit.

In witness where of 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
 written.



SCHEDULE

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

- 1) Sri. (President)
- 2) 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.

2.

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

1.

2.

**Application for financial Assistance to Weak Marketing
Co-operative Societies**

1.	Name & Address of the Society	:	
2.	(a) Date of Registration	:	
	(b) Date of commencement of business	:	
3.	Boar of Management	:	
	(a) Elected/Nominated	:	
	(b) Date of election	:	
	(c) No. of Directors	:	
	(d) Date of last annual General body meeting held	:	
4.	Total No. of members	:	
5.	Authorised Share capital	:	
6.	Paid up Share Capital	:	As per last audit Certificate
	Individual	:	As on 31.3...
	Government	:	
	Others	:	
	Total	:	
7.	Financial position of the Marketing Co-operative Society as on 31 st March (Audited)		
a)	Resources	:	
	(i) Paid up Sharecapital	:	
	(ii) Deposits	:	
	(iii) Resources	:	
	(iv) Loans/Borrowings	:	
	(v) Others (specify)	:	
	(vi) Working Capital	:	
b)	Assets	:	
	(i) Fixed assets	:	
	(ii) Investment in Shares	:	
	(iii) Others (specify)	:	

8.	<ul style="list-style-type: none"> a) Whether a copy of audit report of the society for the last audited year enclosed b) Whether a copy of the Tentative Trading, Profit and Loss Account and Balance sheet for the current year is enclosed c) Whether a copy of the byelaws of the Society is enclosed d) Whether the annual report of the society for the last year is enclosed e) Whether a copy of the resolution of the Board of Directors for availing of the proposed assistance is enclosed. f) Whether the project report is enclosed 	<ul style="list-style-type: none"> : : : : : :
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We (President, Secretary, Board Members) of the Marketing Co-operative Society on behalf of the society requested that the assistance applied for in the above application applied for in the above application may please be sanctioned.

We further agreed to abide by the terms and conditions of the assistance provided by the State Government and furnish all such reports/information as prescribed by the Government.

Seal

Signature of the Secretary

9/12/11
 Section officer
 Co-op (M) Dept