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lmv/25/10

EXH.

GOVERNMENT OF KERALA  
THIRUVANANTHAPURAM Abstract

National Cooperative Development Corporation (NCDC) Scheme - Integrated Cooperative Development Project (ICDP) - Revised Rules for the payment of assistance by way of subsidy, share capital contribution and loans for implementation of various schemes under ICDP in selected districts - Approved - Orders issued.

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AGRICULTURE (IFA) DEPARTMENT

G.O. (Ms) No. 352/95/AD. Dated, Thiruvananthapuram, 13.10.1995

- Read:-
1. G.O. (RT) No. 1028/90/AD dated 27.6.1990.
  2. Letter No. ICDP/60934/89 dated 12.11.1993 from the Registrar of Co-operative Societies, Thiruvananthapuram

ORDER

Rules for payment of financial assistance for implementation of various schemes under the NCDC assisted Integrated Cooperative Development Projects in selected districts were issued in the G.O. read above. Consequent on some changes introduced in the procedure for release of NCDC assistance subsequently, the Registrar of Cooperative Societies has proposed some revision in the above rules.

Government have examined the proposal and are pleased to approve the revised rules appended to this order, for payment of financial assistance by way of subsidy, share capital contribution and loans for implementation of various schemes under the Integrated Cooperative Development Projects in selected districts, in supersession of the orders issued in the G.O. read above.

(By order of the Governor)

K. Narayanankotty Nair  
Joint Secretary to Government

- To
- The Registrar of Cooperative Societies, Thiruvananthapuram.
  - The Managing Director, NCDC, 4-Siri Industrial Area, Hauz Khas, New Delhi - 110116.
  - The Regional Director, NCDC, 8-Cunningham Road, Bangalore.
  - The Deputy Regional Director, NCDC, Thiruvananthapuram.
  - The District Treasury Officer, Thiruvananthapuram.
  - The Accountant General (Audit/A&E), Kerala, Thiruvananthapuram. (This issues with the concurrence of Finance Department)
  - The Finance Department (Vide P.O. No. 1797/AW.C1/94/Fin dated 13.8.1994)
  - The Cooperation Department.

Forwarded by order

*[Handwritten signature]*

Revised Rules for the payment of Financial Assistance to the District Cooperative Banks and Primary Societies by way of Subsidy, Share Capital Contribution and Loans for implementation of various schemes under the National Cooperative Development Corporation assisted Integrated Co-operative Development Project in selected districts.

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## RULES

1. (a) These rules may be called "The Rules for Payment of Financial Assistance to District Cooperative Banks/Primary Societies by way of Subsidy, Share Capital Contribution and Loans through District Cooperative Banks ie. the Implementing Agency, for implementation of the schemes approved by National Cooperative Development Corporation under the Scheme of Integrated Cooperative Development Project in selected districts".

(b) Implementing Agency means a society registered under the Kerala Co-operative Societies Act 1969, which is entrusted with the implementation of the Project.

The assistance to the District Cooperative Bank/Implementing Agency shall be released to them directly and to the primaries through the District Cooperative Bank/Implementing Agency on the basis of the Project Report prepared for the Integrated Cooperative Development Project (ICDP) and approved by the State Government and the National Cooperative Development Corporation (NCDC).

3. The societies identified in the project report and those selected by the Project Implementing Agency (PIA) and approved by the registrar of Cooperative Societies shall be eligible for assistance by way of subsidy/share capital contribution/loan according to the pattern of assistance approved by NCDC under each scheme.

4. The assistance will be provided to the cooperative societies covered under the project according to the rules approved by Government.

### 5. Quantum of assistance

The quantum of assistance for each unit/scheme shall be that fixed by NCDC as per the sector-wise/item-wise outlay communicated along with their letter and those approved by Government. The revision of quantum of assistance if any required shall be vested with the Registrar of Cooperative Societies/State Government on request from the beneficiary society through PIA.

3. (i) Procedure for sanction of sub projects approved in the Project

1. At PIA level

The application for the assistance to the primaries shall be furnished to the District Cooperative Bank/Implementing Agency along with the following documents in duplicate:

- a) Application in the form prescribed in the Rules.
- b) Board Resolution.
- c) Certificate issued by the authority concerned to the effect that society is free from corrupt practices and that no Government dues are pending recovery from the society.
- d) Sub project report for the scheme proposed to be implemented.
- e) Attested copies of latest audited financial statements.
- f) Copy of the financial statements (Receipt & Disbursement, Trading Account, Profit & Loss Account and Balance Sheet) for each year subsequent to the year of audit.
- g) Any other documents prescribed in the rules for each scheme.

2. At Government level

The application for financial assistance on behalf of PIA/Primary Co-operative Society by District Cooperative Banks should be furnished to the Registrar of Cooperative Societies directly with the following documents:

- a) Recommendation-cum-Appraisal Report of Project Manager/General Manager (ICDP) approved by Board of Directors of Implementing Agency.
- b) Board Resolution.
- c) Check-list of eligibility norms approved by Project Manager/General Manager (ICDP).

(ii) The Proposals of primary societies shall be scrutinised and appraised by the Project Implementation Team (PIT) and approved by District Cooperative Bank/Implementing Agency.

7. Sanctioning Authority

The Registrar of Cooperative Societies shall be the authority competent to approve the proposal of beneficiaries recommended by the PIA.

8. Release of Funds

- a) The amount approved for sub projects sanctioned, by the Registrar of Cooperative Societies, shall be released by the PIA on receipt of sanction order from the Registrar of Cooperative Societies by transfer credit to special Savings Bank account opened in the name of the beneficiary with the PIA.
- b) The amount transfer credited shall be released to the beneficiary societies on execution of necessary documents prescribed by the PIA.
- c) The share capital assistance sanctioned for PIA shall directly be released to their Share Capital Account.
- d) The amount so sanctioned to the primaries will be released to them by the District Cooperative Bank first and then reimbursement shall be claimed from Government according to the formula prescribed by NCDC.
- e) The Share Capital/Margin Money sanctioned to the primaries/PIA will be treated as Government contribution.

9. Reimbursement of funds released by the PIA

The proposal for reimbursement of funds released to Primary Societies/PIA shall be prepared on the guidelines of NCDC/Registrar of Cooperative Societies by the PIA with the following documents to the Registrar of Cooperative Societies for approval:

- (1) Details of funds released noting the name of beneficiaries, the sanction order of the Registrar of Cooperative Societies and the amount.
  - (2) Board Resolution.
- ...../

10. Retirement of Share Capital and repayment of loan

(1) Primary Societies

(a) The share capital contribution sanctioned under various schemes to primaries as share capital for margin money or share capital other than margin money, as the case may be, will be retired to the District Cooperative Bank in 12 equal annual instalments, the 1st instalment falling due on the first anniversary of the receipt of the amount from the District Cooperative Bank/Implementing Agency. The primaries should retire the amount to the District Cooperative Bank and not to Government directly. The dividend due to Government should be remitted to the District Cooperative Bank within one month from the date of declaration of dividend. The District Cooperative Bank should remit the dividends so received from primaries in a month, to Government, within seven days of the succeeding month.

(b) In the case of loan sanctioned under various schemes to primaries will be repaid to the District Cooperative Bank in 9 equal annual instalments the 1st instalment falling due on the 4th anniversary of the receipt of the amount from the District Cooperative Bank/Implementing Agency. The interest at the rate fixed by NCDC/Government from time to time shall be paid annually, the 1st year's interest being paid on the 1st anniversary of the receipt of the loan amount from the District Cooperative Bank/Implementing Agency.

(2) District Cooperative Bank (PIA)

(a) In the case of share capital to the District Cooperative Bank, the Bank should retire the amount to Government directly in 12 equal annual instalments the 1st instalment falling due on the first anniversary of the deemed date of credit of the amount to their account with District Treasury, from State Government. The dividend due to Government should be remitted to Government within seven days in the succeeding month from the date of declaration of dividend.

(b) In the case of share capital received as reimbursement, the District Cooperative Bank should retire such amount to Government in 12 equal annual instalments, 1st instalment falling due on the first anniversary of the deemed date of credit to their account with Treasury from Government.

(c) In the case of loan, received as reimbursement the District Cooperative Bank should repay the amount in 9 equal annual instalments 1st instalment falling due on the 4th anniversary of the deemed date of credit to their account with Treasury from Government. In the case of interest due on loan, the repayment starts on the first anniversary of deemed date of credit of loan to their account with Treasury.

(d) The amount if any remain in Ways and Means Advance provided to the project at the initial period shall be refunded to Government, in lump, within one month from the date of expiry of the project period.

#### 11. Utilisation and other conditions

(a) The District Cooperative Bank/Implementing Agency will be responsible for proper and timely utilisation of the funds sanctioned to the beneficiaries and to the District Cooperative Bank.

(b) The District Cooperative Bank/Implementing Agency will be responsible for the repayment of the instalments due to Government in accordance with the rules for the amount sanctioned to them as reimbursement.

12. The terms and conditions for the financial assistance stipulated by the NCDC in their approval letter and those accepted by the State Government shall be strictly adhered to by the District Cooperative Bank/Implementing Agency.

13. The District Cooperative Bank/Implementing Agency shall obtain and keep the share certificate issued to Government by the primary societies towards share capital received by them under the scheme, and the agreement for loan. The share certificate issued to Government towards the amount released to the District Cooperative Bank/Implementing Agency as share capital and the agreement, shall be furnished to the Registrar of Cooperative Societies.

14. If any society makes default in repayment of any instalment on loan or share capital on the due date, the entire amount shall become recoverable in lump with interest and penal interest by the District Cooperative Bank, at the rate prescribed by NCDC/Government from time to time and it is the responsibility of the District Cooperative Bank to see that the amounts released to the primaries by the District Cooperative Bank, is recovered as per the time schedule.

15. If the District Cooperative Bank makes default in repayment of any instalment of loan or share capital the entire amount shall become recoverable in lump, with interest/penal interest by Government at the rate prescribed by NCDC/Government from time to time.

16. The Government shall be competent to amend or modify the rules with retrospective effect, at any time, and also to relax any of the provisions of these rules in deserving cases.
17. The District Cooperative Bank shall execute agreement for each release by the Government as Ways and Means advance and reimbursement, in the form-A appended to these rules.
18. Every primary society shall execute an agreement with the District Cooperative Bank/Implementing Agency for each release to them in the form to be prescribed by the District Cooperative Bank/Implementing Agency.

F O R M - A

This agreement is executed on this the .....  
day of .....  
..... between (here enter name of  
the District Cooperative Bank/Implementing Agency).....  
.....  
a society registered under the Kerala Cooperative Societies Act  
1969, and have its registered office at .....  
(hereinafter referred to as the District Cooperative  
Bank/Implementing Agency) on the one part and the Governor of  
Kerala (hereinafter referred to as the Government) on the other  
part.

Whereas the District Cooperative Bank/Implementing Agency  
has agreed to function as an implementing agency for the  
Integrated Cooperative Development Project in the district,  
subject to the terms and conditions specified by the National  
Cooperative Development Corporation and approved by the State  
Government. The Implementing Agency has applied for payment of a  
sum of Rs.....(Rupees.....  
.....only) being ..... year's  
outlay for the various schemes under the Integrated Cooperative  
Development Project to be implemented in the district according  
to the annual phasing fixed by the National Cooperative  
Development Corporation and approved by Government in  
G.O.....dated.....(hereinafter  
referred to as 'the order') which shall form part of this deed as



(ii)

And Whereas at the request of the Implementing Agency and according to the annual phasing of financial outlay fixed by the National Cooperative Development Corporation, the Government/Registrar of Cooperative Societies have sanctioned a sum of Rs.....(Rupees..... only) as loan/share capital to the District Cooperative Bank/Implementing Agency, vide G.O.....dated...../Proceedings No.....dated..... of the Registrar of Cooperative Societies (hereinafter referred to as 'the said order') copies of which are attached hereto (which shall form part of this agreement as if incorporated herein) subject to the terms and conditions contained in the Rules and those hereinafter appearing to which the District Cooperative Bank/Implementing Agency has also agreed.

NOW THESE PRESENTS WITNESS AND IT IS HEREBY agreed as follows:-

1. The District Cooperative Bank/Implementing Agency (.....) shall watch the proper and timely utilisation of the amount released to the beneficiary cooperative institution under the project.

2. The District Cooperative Bank/Implementing Agency shall watch the repayment of instalments of loans and retirement of share capital contribution from the beneficiary cooperative

3. The District Cooperative Bank/Implementing Agency shall retire to Government, the share capital contribution for margin money or share capital contribution other than margin money as the case may be released to them as reimbursement as per the Rules.

4. The District Cooperative Bank/Implementing agency shall obtain and keep the share certificates issued to Government by the societies availing share capital contribution under the Integrated Cooperative Development Project and the agreement for loan and shall furnish the share certificate for the amount released to the District Cooperative Bank/Implementing Agency and the agreement to the Registrar of Cooperative Societies.

5. Notwithstanding anything contained in the Rules or in the Bye-laws of the society, it shall be open to Government to withdraw at any time without stating any reason whatsoever the whole or any portion of share capital contribution/loan and the District Cooperative Bank shall be liable to refund the amount so withdrawn in a lump at once.

6 (a) The District Cooperative Bank/Implementing Agency shall remit the dividend accruing on share capital contribution into Government Treasury within 7 days in the succeeding month from the date of declaration of the dividend by the General Body of the District Cooperative Bank.

(iv)

(b) The District Cooperative Bank/Implementing agency shall remit to Government the instalments of loans and interest as per rules. In the case of default in payment of instalments penal interest at the rate of 2.5 % shall be calculated on such defaulted instalments.

7. The District Cooperative Bank/Implementing agency shall strictly adhere to the terms and conditions stipulated by National Cooperative Development Corporation and those contained in the Rules and in the order and those therein contained.

8. The Government shall have power to amend the Rules from time to time and the amended rules shall form part of this agreement as if incorporated therein.

9. In the case of District Cooperative Bank/Implementing agency commits breach of all or any of the terms and conditions herein contained or those contained in the Rules and in the order, the entire amount advanced shall become repayable to Government in lump at once by the District Cooperative Bank/Implementing agency.

10. The District Cooperative Bank/Implementing agency shall ensure that the subsidy sanctioned to them under the project is utilised only for the purposes for which it is sanctioned and not diverted for any other purposes and any excess shall be remitted back to Government:

(Contd.....v)

11. The District Cooperative Bank/Implementing Agency shall get executed necessary agreement by the beneficiary cooperative institutions at the time of release of the amount under the project.

12. All sums found due to Government under or by virtue of this agreement shall be recoverable from the District Cooperative Bank/Implementing Agency and its assets both movable and immovable properties under the provisions of the Revenue Recovery Act for the time being in force as if such sums are arrears of land revenue or in such other manner as the Government may deem fit.

13. It is hereby mutually agreed upon by both the parties that this agreement shall be deemed to have come into force on and from the .....

IN WITNESS WHEREOF Shri.....  
(President) and Shri.....  
(General Manager/Managing Director) for and on behalf of the District Cooperative Bank/Implementing Agency and Shri..... for and on behalf of the Governor of Kerala have hereunto set their hands and the seal of the Bank has hereunto been affixed on the day, month and year first above written.

Signed by Shri.....  
(President)

Signed by Shri.....  
(General Manager/Managing Director)

(vi)

for and on behalf of the District Cooperative Bank/Implementing Agency.

In the presence of Witness:

(1) Shri.....

(2) Shri.....

Signed by Shri.....

for and on behalf of the Governor of Kerala.

In the presence of Witness:

(1) Shri.....

(2) Shri.....

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