

Guidelines for the Payment of financial assistance to Marketing Co-operative Societies in the Head of Account – 2425-108-36, 4425-108-30, 6425-108-09

1. These guidelines are issued for the payment of financial assistance by way of Subsidy, Share Capital and loan to Primary Marketing Co-operative Societies to strengthen the agricultural Marketing Sector.
2. Financial Assistance will be given by the State Government to Primary Marketing Co-operatives in accordance with the project report prepared by the Society and approved by the high level committee/working group constituted by the Government for the purpose.
3. The maximum assistance payable under this scheme is limited to 75% of the project report to a maximum of Rs.25 lakhs on the basis of a project report, prepared by the society and approved by the Registrar of Co-operative Societies . The Assistance for Subsidy (2425-108-36), Share (4425-108-30) and Loan (6425-108-09) will be in the ratio of 20:25:30 respectively.
4. The Societies considered under this Scheme should satisfy the following conditions.
 1. The Society should be Primary Marketing/ Co-operative Society engaged in marketing/ activities.
 2. The Society should have a fully qualified full time paid Secretary/Chief Executive and an elected Managing Committee to implement the Scheme.
 3. The Society should have been working in profit for the last 3 years continuously.
 4. The Society shall be free from corrupt practices.
 5. There should be adequate provisions in the bye-law of the Society for State participation.

6. Preference under this scheme will be given to vegetable marketing Co-operative Societies.
 7. The purpose of this scheme is to promote the Agricultural and Marketing Sector under Co-operatives.
 8. No Financial Assistance to a Marketing Co-operative Societies shall be released to the society which defaulted the repayment of loan sanctioned previously.
5. 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 for the drawal of assistance.
6. The Assistance under this Scheme shall be utilized only for the purpose for which it is sanctioned. The assistance shall be utilized in accordance with the project report approved by the High Level Committee/Working Group.
7. All the conditions stipulated in the Guidelines shall be fulfilled by the Marketing Society. The terms and conditions of the project approved and those contained in the orders of the Government/Registrar of Co-operative Societies sanctioning the financial assistance shall form part of these Guidelines.
 8. The Marketing Society receiving assistance under this Scheme shall execute an agreement in Form A for the share capital contribution sanctioned and a Mortgage Deed in form B for Loan amount sanctioned before withdrawing the amount.
 9. The assistance sanctioned under the Scheme shall be utilized within a period of twelve months from the date of drawal of

assistance and if the society fails to utilize 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 utilization of assistance, retirement of share capital contribution and furnish the utilization certificate of the assistance to the Accountant General, Kerala in due course through Registrar of Co-operative Societies.

10. 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 share capital contribution and the subsequent instalments on the corresponding date during the succeeding years.
11. 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.
12. The loan shall carry interest at the rate fixed by the Government from time to time.
13. 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.
14. If the society makes default in the repayment of share capital 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.

15. The President, the Board of Directors and the Secretary/Chief Executive of the society shall jointly and severally be responsible for the proper utilization of the assistance received under the scheme.
16. The Registrar of Co-operative Societies/Joint Registrar of the district will conduct periodical review of the results of the implementation of revitalization project so as to ensure the proper utility of the assistance.
17. The Government may by an order in writing exempt the societies/institutions from all or any of the provisions of these Guidelines.

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 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 to strengthen the agricultural marketing Society through Primary Marketing Co-operative Societies and whereas Government have agreed to sanction the financial assistance subject to the terms and conditions contained in the Guidelines approved by Government this behalf. Now these presents witness and it is hereby agreed as follows:-

- 1. The amount of (Rupees
.....
..... sanctioned to the society, as
share capital and Rs. sanctioned to the society as
subsidy shall be utilized only for implementation of the scheme
approved by the High Level Committee/Working Group.**
- 2. The society agrees to and shall abide by the terms and conditions
contained in the guidelines governing the assistance. A copy of which is
herewith appended and the guidelines shall form part of the agreement.**
- 3. The Society agrees to utilize the share capital contribution and the
subsidy within one year from the date of sanction of amount and any
amount remaining unutilized after one year shall be refunded to
Government in lump.**
- 4. The society shall return/refund the share capital contribution amount of
Rs. (Rupees.) in
ten equal annual instalments and the 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 Guidelines 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. Notwithstanding anything contained in the Rules or in the byelaws of the society it shall be open to the Government to withdraw 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)
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.

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.**

FORM B

This deed of mortgage made this the day of by the a Co-operative Society Registered under the Kerala Co-operatives 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 (herein after called the Government)

WHEREAS the Mortgagor has applied to the Government for a loan of Rs. (Rupees) under the Scheme for the grant of assistances under the Scheme for to strengthen the Agricultural Marketing Sector through Primary Marketing Co-operative Societies.

WHEREAS the Government /Registrar in Order No. dated (Herein 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 guidelines, 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 Mortgagor by the Government the Mortgagor hereby transfer by way of simple mortgage to the Government all the properties and other assets described in the scheduled hereunder, 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 Guidelines and the said order and for the due fulfillment by the mortgagor of the terms and conditions herein contained and those contained in the Guidelines and in the said order and that Government shall have first charge over the same.**

- 2. The Mortgagor do hereby agree that the Mortgagor shall abide by the terms and conditions contained in the guidelines 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 description 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 hypothecation 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 do hereby agree that the amount of loan shall not be utilized for any purpose other than that for which it is granted and the amount will be utilized 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 Register 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 authorized in this behalf by the Government /Registrar of Co-operative Societies.**
- 8. The Principal amount of loan shall be repaid by the Mortgagor 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 thereafter 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 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 Guidelines 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 do 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/Mananger/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.**