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GOVERNMENT OF KERALA

Abstract:

Co-operation - Rules for the payment of Share Capital Contribution to Primary Agricultural Credit Societies implementing Self Help Group Scheme - Approved - Orders issued.

CO-OPERATION (3) DEPARTMENT

G.O.MS.No.127/98/Co-op: Dated: Thiruvananthapuram, 11.8.1998.

- Read: 1. GO. MS. 113/97/Co-op: dated : 4.9.1997.
2. GO.MS. 15/98/Co-op: dated 20.1.1998.
3. Letter No. CB(1)45845/98 dated 12.2.1998 and 15.5.1998 from the Registrar of Co-operative Societies.

O R D E R

In the Government Order read as first paper above Government have approved a scheme for the introduction of Self Help Groups in Kannur District as a pilot scheme based on the guidelines issued by NABARD. In the Government Order read as second paper above sanction was accorded for providing short term funds to the Self Help Groups. The assistance is to be extended through the Primary Agricultural Credit Societies for which the required funds are to be provided by the Kerala State Co-operative Bank through the District Co-operative Bank.

2. In the letters read as third paper above, the Registrar of Co-operative Societies has informed that in order to avail the assistance from District Co-operative Banks, the Primary Agricultural Credit Societies have to increase their borrowing power for which the Share Capital base of these societies have to be strengthened. The Registrar of Co-operative Societies has forwarded draft rules for the payment of Share Capital Contribution to the Primary Agricultural Credit Societies for implementing the Self Help Groups Scheme.

3. Government have examined the matter in detail and are pleased to approve the Rules, Form of agreement and application form for the payment of Government's Share

Capital Contribution to the Primary Agricultural Credit Societies/Farmers Service Co-operative Banks for the Self Help Groups, which are appended to this order.

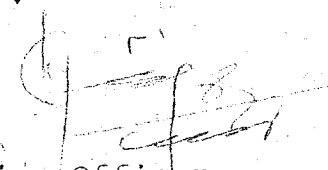
By order of the Governor,

KURUVILLA JOHN
SECRETARY TO GOVERNMENT

To

1. The Registrar of Co-operative Societies, Thiruvananthapuram.
2. All the District Joint Registrars.
3. The Accountant General (A&E), Thiruvananthapuram.
4. The Accountant General (Audit).
5. The Finance Department. (vide UO No.43155/AWCI/98/Fin. dated 21.7.1998)
6. Stock File
7. Office Copy.

Forwarded/By order


Section Officer

RULES GOVERNING GOVERNMENT'S SHARE CAPITAL CONTRIBUTION TO
THE PRIMARY AGRICULTURAL CREDIT COOPERATIVE SOCIETIES/
FARMERS SERVICE COOPERATIVE BANKS FOR THE SELF HELP GROUPS.

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These Rules may be called the rules for the payment of Share Capital contribution to Primary Agricultural Credit Societies/Farmers Service Co-operative Banks with whom Self Help Groups are registered. Government may contribute to the Share Capital of Primary Agricultural Credit Societies/Farmers Service Cooperative Banks to which the self help groups are registered. The financial support under the scheme is to raise funds by the Primary Agricultural Credit Cooperative Societies for providing assistance to the Self Help Groups, the members of which consist of landless labourers, Artisans, small and marginal farmers, persons engaged in activities allied to agriculture and tribals etc. as per the scheme approved by government.

2. In order to avail of the assistance under this scheme a primary Agricultural Credit Cooperative Society/ Farmers Service Cooperative Bank should satisfy the following conditions.

- (1) Self help groups organised under the cooperative sector should be registered with the Primary Agricultural Credit Cooperative Societies/Farmers Service Co-operative Bank concerned.
 - (ii) The Society should have a minimum paid up share capital of Rs.1 lakh from individual members.
 - (iii) There should be adequate provision in the bye-laws of the society.
 - (iv) The society should have a full time qualified paid Secretary/Managing Director.
 - (v) Overdues should not be more than 65% of the demand for the previous year.
 - (vi) The society should have an annual loan disbursement of not less than Rs.10/- lakhs during the preceeding year.
3. The Registrar of Co-operative Societies shall be competent to relax any of the conditions stipulated in Rule 2 above.

4. The maximum amount eligible under this scheme at a time will be Rs. one lakh whereas the maximum amount of contribution to one society under this scheme shall not exceed Rs. two lakhs.
5. The amount sanctioned under this scheme should be utilised for availing assistance for giving financial assistance to the groups registered with the society.
6. The Co-operative Society seeking assistance should prepare a scheme on the proposed group activity to be implemented.
7. The application for Share Capital contribution shall be furnished to the Joint Registrars concerned through Assistant Registrars concerned, in the form appended to these rules.
8. The application should be accompanied with the following resolutions and certificates.
 - (i) Resolution requesting for Government Share Capital contribution.
 - (ii) Resolution to the effect that the society shall adhere to such terms and conditions as government Registrar of Co-operative Societies may prescribe from time to time.
 - (iii) Certificate from Assistant Registrar of Co-operative Societies concerned to the effect that no Government dues are pending to be remitted.
 - (iv) Certificate from the Assistant Registrar concerned to the effect that the society is free from corrupt practices.
9. The Joint Registrar of the District shall be the authority competent to sanction the assistance under this scheme to the societies eligible as per these rules.
10. The Share Capital contribution under this scheme shall be retired in 10 annual equal instalments, the first instalment falling due on the 6th anniversary of the date of drawal of this amount.
11. In the event of default in payment of annual instalment the society is liable to pay penal interest @2.5% on the defaulted instalment and the Registrar of Co-operative Societies shall be competent to order summary recovery of entire balance amount under government share as

FORM OF AGREEMENT

This agreement is executed on this the day of one thousand and Hundred and between (Here enter the name of the society with Registrar No.) a society registered under the Kerala State Co-operative Societies Act and having its registered office at (herein after referred to as the society) on the one part and the Government of Kerala (hereinafter referred to as the Government) of the other part.

Whereas the society has applied for the payment of a sum of Rs. (Rupees only) by way of share capital contribution to the society under the rules Governing Government contribution towards share capital assistance to primary agricultural credit Co-operative Societies/Farmers Service Co-operative Societies under the State Plan Scheme (Herein after referred to as the Rules).

And whereas at the request of the society the Joint Registrars, for and on behalf of the government of Kerala has sanctioned the payment of a sum of Rs. (Rupees only) to the society as per his orders No. dated (herein after referred to as 'the said order' a copy of which is attached here to) which shall form part of this agreement as incorporated herein subject to the terms and conditions contained in the said order and in the rules and these herein whether appearing to which the society has also agreed.

Now these presents witness and is hereby agreed as follows:

1. The society shall utilize the Share Capital contribution amount of Rs. (Rupees only) for the purpose of strengthening to its share capital for availing finance for issue of loans to the self Help Groups attached to it and it shall not be used for any other purpose.

though they were arrears of land revenue under the provisions of Revenue Recovery Act for the time being in force.

- 12. The dividend accruing on the Share Capital contribution by the government under this scheme shall be remitted in the Treasury within one month after the declaration of the dividend by the general body of the society.
- 13. The society receiving the assistance under this scheme shall within a period of two months, issue the share certificate and furnish a certificate to the effect that the amount has been brought into the account.
- 14. The society should also produce within a period of six months, a certificate to the effect that the amount has been utilised for the purpose for which it has been sanctioned. However in deserving cases Registrar of Co-operative Societies may extend the period.
- 15. The Joint Registrar of the district shall be the authority to watch proper utilisation of the assistance sanctioned and for obtaining the share certificate and watch the retirement of share capital assistance.