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GOVERNMENT OF KERALA
Abstract

Co-operation Department - Guidelines/Rules for the payment of Financial Assistance as incentive to Primary Agricultural Co-Operative Societies for promotion of Agricultural Loans/Loans for Paddy Cultivation and for the Purchase of Harvesting Machine approved - Orders issued.

CO-OPERATION (B) DEPARTMENT

G.O (Rt) No. 465/2011/Co-op Dated, Thiruvananthapuram, 11.08.2011

Read:- (1) Letter No.CP(1)36106/10 dated 21.10.2010 from the Registrar of Co- operative Societies, Thiruvananthapuram.
(2) Decision of the Working Group held on 18.07.2011.

ORDER

As per the letter read as 1st paper above, the Registrar of Co-operative Societies has forwarded the draft Guidelines/Rules for the payment of Financial Assistance as incentive to Primary Agricultural Co-Operative Societies for promotion of Agricultural Loans/Loans for Paddy Cultivation and for the Purchase of Harvesting Machine. The Working Group Meeting held on 18.07.2011 has resolved to approve the draft rules.

2. Government have examined the matter in detail, and are pleased to approve the Guidelines/Rules for the payment of Financial Assistance as incentive to Primary Agricultural Co-Operative Societies for promotion of Agricultural Loans/Loans for Paddy Cultivation and for the Purchase of Harvesting Machine. The Rules are appended to this order.

(By the order of the Governor)

P.K. MOHANTY
ADDITIONAL CHIEF SECRETARY TO GOVT.

✓ The Registrar of Co-operative Societies, Thiruvananthapuram
The Principal Accountant General (A&E/Audit), Kerala,
Thiruvananthapuram
The Finance Department
The Planning & Economic Affairs Department
Stock File/ Office Copy.

Forwarded/By order

Section Officer

1

GUIDELINES / RULES FOR THE PAYMENT OF FINANCIAL ASSISTANCE
AS INCENTIVE TO PRIMARY AGRICULTURAL CO-OPERATIVE SOCIETIES
FOR PROMOTION OF AGRICULTURAL LOANS/LOANS FOR PADDY
CULTIVATION AND FOR THE PURCHASE OF HARVESTING MACHINE.

These Guidelines/Rules may be called the Guidelines for the payment of financial assistance as incentive/by way of grant to Primary Agricultural Credit Societies/Farmers Service Co-operative Societies for the promotion of Agricultural loans/loans for paddy cultivation or for the purchase of harvesting machine.

1. Objective.

The objective of the scheme is to grant incentives

- (i) To the Primary Agricultural Credit Societies/Banks, which have issued more short term Agricultural loans than the previous year from their own fund;

Or

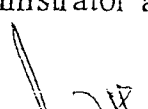
- (ii) To the Primary Agricultural Credit Societies/Farmers Service Co-operative Banks/Farmers Service Co-operative Societies which have issued loans for paddy cultivation which amount to more than 20% of the total agricultural loans issued by the society in during the previous year;

And

- (iii) To the societies for the purchase of harvesting machines.

2. Eligibility and the amount of assistance

A. INCENTIVE FOR SHORT TERM AGRICULTURAL LOANS

- a. For incentive, with respect to societies which have effected the issuance of short term agricultural loans in order to be eligible for incentives the total amount of agricultural loans issued for paddy cultivation should be more than 20% more than the amount of loan issued during the previous year.
 - b. The interest of the short term agricultural loans should not be more than that of the rate fixed by the Registrar of Co-operative Societies for short term agricultural loans.
 - c. The Society should have an elected Managing Committee/Administrator and have a full time paid Secretary/Managing Director.
 - d. The Society should be free from corrupt practices.
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The assistance/incentive shall be 5% of the difference of short term agricultural loans issued by the societies from their own fund during the last year and the previous year, subject to a maximum of Rs.1,00,000/- (Rs. One lakhs only)

- Eg : (a) The total short term loans for agricultural purposes, issued by the Primary Agricultural Credit Societies(from their own fund) during the year (2009-2010)at the rate of interest fixed by Registrar of Co-operative Societies - Rs. 20 lakhs.
- (b) The loans issued by the Primary Agricultural Credit Societies at the rate of interest fixed by Registrar of Co-operative Societies during the previous year (2008-2009) - Rs.12 lakhs
- (c) Difference (a-b)(Rs. 20 lakhs – Rs.12 lakhs) = Rs. 8 lakhs)
- (d) Amount eligible = 5% of c(Rs. 8 lakhs) = Rs. 40,000/-

B. Incentive for issuing loans for paddy cultivation

- (i) Total agricultural loans issued by the society should not be less than Rs. 10.00 lakhs.
- (ii) Total loans issued for paddy cultivation should be more than 20% of the total agricultural loans issued by the society during the previous year.
- (iii) The society should have an elected Managing Committee/Administrator and have a full time paid Secretary/Managing Director.
- (iv) The society should be free from corrupt practice.

The society shall eligible for a minimum amount of Rs. 10000/- or 5% of total loans issued by the society for paddy cultivation subject to a maximum of Rs. 25000/-

Eg : A

- (i) Total short term loans issued for agricultural purpose (from its own fund or borrowed fund) in the last financial year - Rs. 20.00 lakhs.
- (ii) Loans issued for paddy cultivation during the last financial year - Rs. 8.00 lakhs.
- (iii) % of agricultural loans - Rs. 40% (Above 20%)
- (iv) 5% of loans issued for paddy - Rs. 40,000.00
- (v) Incentive/grant limited to - Rs. 25,000.00



- (i) Total short term loans issued for agricultural purposes - Rs. 15000 lakhs
(ii) Loans issued for paddy cultivation during the previous year - Rs.3.00 lakhs
(iii) % of agricultural loans - 30%
(iv) % of loans issued for paddy - Rs. 15000.00

C. INCENTIVE FOR PURCHASE OF HARVESTING MACHINE

- (i) The Society which have purchased harvesting machine by using its own fund or availing loan from NCDC/NABARD is eligible for assistance.
(ii) The society should be free from corrupt practice and should have an elected board/Administrator.
(iii) The society should produce the copy of documents evidencing the purchase of machine, registration etc.
(iv) The maximum assistance will be 20% of the cost of the machine, subject to a maximum Rs. 4 lakhs whichever is less.

4. The application for claiming grant/assistance under the scheme shall be made in Form - A, (part of the Rule) countersigned by the Assistant Registrar (General) of the Taluk and recommended by the Joint Registrar (General) of the District and shall be supported by the following documents.

1. Resolution of the Board of Directors agreeing to adhere to such terms and conditions as Government/Registrar of Co-operative Societies may prescribe from time to time.
2. Certificate of the Assistant Registrar to the effect that the society is free from corrupt practices and countersigned by the Joint Registrar of the District.
3. A statement in form B, (for claiming grant for promotion of agricultural loan) or in form 'C' (for claiming grant for promotion of paddy cultivation) verified by the Unit Inspector, and certified by the Assistant Registrar (General) of the Taluk and countersigned by the Joint Registrar of the district.
4. The Society should submit an agreement in form C, duly signed by the Secretary, President and two board members.
5. Assistance may be sanctioned by the Registrar of Co-operative Societies after satisfying that the conditions prescribed are complied with by the society.

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6. The Joint Registrar of Co-operative Societies of the district shall draw the amount of assistance, as sanctioned by the Registrar of Co-operative Societies.
7. The assistance shall be released to the society after an agreement executed between the society and Government, and any failure to fulfil the conditions in the agreement by the society shall make the society liable to repay the entire amount with penal interest,
8. The Society shall furnish the utilisation certificate and the Joint Registrar of the district shall forward it to Accountant General under copy to the Registrar of Co-operative Societies.

FORM - A

Application of Financial Assistance/incentive to Co-operatives
(PACS/FSCB/FSCS) for the Promotion of Short Term Agricultural Loans/Loans for
paddy cultivated cultivation/for the purchase of harvesting machine.

| | | |
|----|------------------------------------|--|
| 1 | Name and Address of the Society | |
| | a) Register No. | |
| | b) Date of Registration | |
| | c) Date of Commencement of working | |
| | d) Telephone No. | |
| 2. | Type of Society | |
| 3. | Board of Directors | |
| | a) Elected/Nominated/Administrator | |
| | b) Date of Election | |
| 4 | Membership | |
| | a) Individual | |
| | b) Government | |
| | c) Others | |
| 5. | Authorised Share Capital | |
| | b) Paid up share Capital | |
| | i) Government | |
| | ii) Individual | |
| | iii) Others | |
| | Total : (i + ii + iii) | |

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A

B

| Financial Status | | Year (Rs. in Lakhs) (Financial Year) | | Year (Rs. In lakhs) (Previous Year) | | |
|------------------|--|--|------------|---|---------------|----------------|
| 6) | a) Audit Completed upto | | | | | |
| | b) Audit classification | | | | | |
| | c) Profit or loss (Specify with amount) | | | | | |
| | d) Accumulated loss if any | | | | | |
| 7) | Loans Issued | | | | | |
| | a) Total loans issued by the Society during the financial year and previous year for which the grant claimed (Agricultural/Non Agricultural) | No. 1 | Agri. 2 | No. 3 | Non-Agri 4 | Total (2+4) |
| | b) Loans issued for Agricultural purposes | | | | | |
| | c) of which ST Agricultural Loans issued | | | | | |
| | d) Source of fund used for disbursement of ST Agricultural loans | | | | | |
| | (i) Borrowed fund - DCB/KSCB/Others - | | | | | |
| | (ii) Own fund (Amount) | | | | | |
| | e) difference of loans (7 a - 7 b) | | | | | |
| | f) 5% of amount in Col. 7 (c) | | | | | |
| | g) Amount eligible for assistance | | | | | |
| | h) Amount applied | | | | | |
| | i) Amount sanctioned | | | | | |
| 8 | Total loans issued for paddy during the previous year | | | | | |
| 9 | % of loans issued for paddy cultivation on the total agricultural loans, issued by the society during the previous year | | | | | |
| C | <u>Instructure for Harvesting Machine</u> (1) Date of purchase of Harvesting machine. | | | | | |
| | Model | | | | | |

| | | |
|-------|---|--|
| | Dealers Name & Address | |
| (i) | Total cost (excluding transporting charge/other charges) | |
| (ii) | 20% of the cost of machine | |
| (iii) | Amount eligible | |
| (iv) | Amount recommended | |

Certified that the above particulars are correct

President :-

MD/Secretary/Chief Executive

1. Board of Members
2. " " "

(Seal)

Certified that I have verified the details furnished by the society and found correct and the Co-operative Society Ltd. No. is eligible for assistance of Rs. (in words)..... under the scheme.

Unit Inspector

(Name and Signature of Officer and the Unit)

Counter Signature of Assistant Registrar

.....
Recommendation of Joint Registrar

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) (hereinafter referred to as the Society) of the one part and the Governor of
 Kerala (hereinafter referred to as the Government) of the other part.

Where the society has applied to the Registrar of Co-operative Societies for
 financial assistance by way of incentive, for the promotion of agricultural
 loans/loans for paddy cultivation/grant for purchase of harvesting machines and
 whereas the Government have agreed to sanction the financial assistance subject to
 the terms and conditions contained in the Rules approved by Government in this
 behalf. Now these presents witness and it is hereby agreed as follows:-

- 1) The amount of Rs. (Rupees
) sanctioned to the

 society Rs. (Rupees
 as grant/subsidy for the promotion of Agricultural loans/loans for paddy
 cultivation/grant for purchase of harvesting machines shall be entered in
 the books of account of the society.
- 2) The Society agrees 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 should under take that the amount shall be withdrawn within
 six months and shall be treated as the General Fund of the Society/Banks
- 4) 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 sanctioned shall become repayable in lump at once by the society

5) 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 being the Board of Directors and Chief Executive and as per resolution No..... Dated :.....

In witness where of SriPresident and Sri.....Secretary/Manager/Managing Director) and Sri(Board Member) for and on behalf of the Society and Sri/Smt.Registrar of Co-operative Societies for and on behalf of the Governor of Kerala have here unto set their hands and the seal of the society has here unto 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 witness

1) Sri

2) Sri

Signed by Sri/SmtRegistrar of Co-operative Societies

For and on behalf of the Government of Kerala
In the present of Witness

1) Sri

2) Sri



Form - B

Claim Statement for financial assistance for Promotion of Agricultural Loans issued by PACS/FSCB/FSCS

| Sl No | Name of Society | Total Agricultural loans Issued | | | | | | Of which ST Agricultural loan issued from the own Fund | | | | Eligible Amount | |
|-------|-----------------|---------------------------------|-----|-------------------|-----------------|-----|-------------------|--|------|--------------------|----|-----------------|--------------------|
| | | During the last financial year | | | During the year | | | During the year | | Previous Year | | | |
| | | No | Amt | Rate of Inte rest | No | Amt | Rate of Inte rest | No | Amt. | Rat e of Inte rest | No | | Rat e of Inte rest |
| | H O | | | | | | | | | | | | |
| | Branch 1 | | | | | | | | | | | | |
| | 2 | | | | | | | | | | | | |
| | 3 | | | | | | | | | | | | |
| | 4 | | | | | | | | | | | | |
| | 5 | | | | | | | | | | | | |

Form - C

Claim Statement for financial assistance for Promotion of Paddy Cultivation

| Sl No | Name of Society | Total loans Issued for agricultural purpose during the previous year Year | | | Total loans issued for paddy cultivation during the year for which the assistance is claimed | | | Remarks |
|-------|-----------------|--|--------|------------------|--|--------|------------------|-----------------|
| | | No | Amount | Rate of Interest | No | Amount | Rate of Interest | Eligible Amount |
| | | | | | | | | |

President

Secretary

Directors (1)
(2)

Verified by

Recommended by

JR(G) of this District

[Handwritten Signature]
Section Officer

