GOVERNMENT OF KERALA

Abstract:

Co-operation - Scheme for Financial Assistance to Co-operative Societies for taking up Projects for expansion and diversification activities - Rules governing the Assistance under the Scheme - Revised - Orders issued.

CO-OPERATION (B) DEPARTMENT

G.O.(MS)No.7/2001/Co-op: Dated, Thiruvananthapuram, 12.1.2001

Read: 1. G.O.(MS)17/95/Co-op: dated: 4.2.1995.
2. G.O.(MS)41/95/Co-op: dated: 13.3.1995.
3. Letter No. CLT(2)20011/99 dated: 21.3.2000 from the Registrar of Co-operative Societies, Thiruvananthapuram.

ORDER

As per the Government Order read as first paper above, Government have approved the Rules for payment of financial assistance to Co-operative Societies for taking up projects for expansion and diversification activities.

2. As per the letter read as third paper above, the Registrar of Co-operative Societies has forwarded a proposal for revising the above rules. The High Level Committee which met on 29.11.2000 discussed the revised draft rules in detail and recommended the modified draft rules for approval.

3. Government have examined the draft rules recommended for adoption by the High Level Committee and are pleased to approve the rules appended herewith.

4. The High Level Committee constituted by Government in G.O.(MS)41/95/Co-op: dated: 13.3.1995 will examine the proposals for assistance to eligible Co-operative Societies in the State and submit recommendations to Government, as ordered therein.

By order of the Governor,

V.G.INDIRA BAI AMMA
JOINT SECRETARY TO GOVERNMENT

To

The Registrar of Co-operative Societies
Thiruvananthapuram
The Secretary
State Planning Board, Pattom,
Thiruvananthapuram

The Chief
Agriculture Division,
State Planning Board, Pattom,
Thiruvananthapuram
Joint Registrar of Co-operative Societies (General),
(through Registrar of Co-operative Societies)
The Finance Department
The Planning & Economic Affairs Department
All Officers & Sections in Co-operation/
Agriculture (IFA) Department.
The PA to Principal Secretary (Co-operation)
The Additional PS to Minister (Electricity & Co-operation)
The CA to Joint Secretary (Co-operation)
Stock File/Office Copy

Copy to: G.O.(MS)17/95/Co-op: dated: 4.2.1995.
G.O.(MS)41/95/Co-op: dated: 13.3.1995.

Forwarded/By order

Section Officer

RULES FOR THE PAYMENT OF FINANCIAL ASSISTANCE TO CO-OPERATIVE SOCIETIES FOR TAKING UP PROJECTS FOR EXPANSION AND DIVERSIFICATION OF ACTIVITIES.

1. All types of Co-operative Societies coming under the Administrative control of the Registrar of Co-operative Societies will be eligible for the assistance under this scheme. The object of the scheme is to promote activities for expansion of existing activities or diversified activities of an allied nature in viable societies. The assistance shall be utilised for the purpose of implementation of commercially feasible projects and can include creation of commom facilities, or development of infrastructure facilities sponsored and implemented for the benefit of the members of the society not inconsistent with the bye-laws of the societies. Projects shall however be not of trivial and petty nature. The projects will also not be very large requiring heavy investment.

2. The assistance under this scheme will be in the pattern as shown below which shall be approved by the High Level Committee on the basis of a Detailed Projects Report approved by the Managing Committee of the Co-operative Society.

i) a)	Subsidy	: Not exceeding 10% of the total cost of the project
b)	Share capital	: Not more than 20% of the cost of the project.
c)	Loan	: Not exceeding 20% of the cost of the project.

ii) The maximum assistance payable under this scheme will be limited to 50% of the total project cost (actual investment) or 10 times of the paid up share capital of the society, excluding Government share capital contribution whichever is less. Towards the balance of the cost of 10 to 20% shall be provided by the society from its own funds and the remaining amount has to be mobilised as loan from financial institutions or any other sources by the society.

3. The Society shall have a fully qualified fukl time Secretary/Chief executive to implement the scheme. The society shall also appoint the personnel if any envisaged in the project report as approved by the High Level Committee.

4. There should be adequate provision in the bye-laws of the Co-operative Society for State participation in the share capital of the society.

5. The Co-operative Society which implements the scheme should be a viable one with scope for future development and potential to expand their business turn over and to diversify their activities.

6. Societies functioning satisfactorily with stabilized business operation for 3 years prior to the date of application will be eligible for availing assistance under the scheme.

7. Only societies having sound financial background and positive net worth as per the audited balance sheet of the preceding year or as per the tentative balance sheet verified by Co-operative Department shall be considered.

8. Societies selected should have only meagre overdues on loan and advances availed from the Government/NCDC/Other Institutions. Societies having substantial defaults shall not be considered.

9. Only co-operative Societies free from corrupt practices will be eligible for the assistance.

10. Only Co-operative Societies having an elected Board of Directors shall be eligible for receiving the assistance.

11. While considering the project the following points may also be considered.

a) The proposed commercial operation expansion/diversification shall be in the area of operation related to the type of activity now being handled by co-operatives. The society should have reasonable expertise in the proposed activity.

b) Only projects which are capable of extending benefit to the members and public both need be considered.

c) Only projects which involve any capital investment leading to asset creation need be considered. Projects involving working capital assistance alone for expanding the current level of activity need not be considered. Projects which have a direct bearing on productive sector shall be given priority.

d) The co-operative society seeking the assistance should have further scope for expansion.

12. The Co-operative Society seeking assistance should prepare viable project report on the project or activity to be undertaken. The project if found necessary can be got appraised by approved agencies.

13. The project report will be scrutinized and assistance will be recommended in suitable cases by a High Level Committee consisting of the following members constituted by the Government:

i)	Secretary to Government (Co-operation)	- Chairman
ii)	Registrar of Co-operative Societies	- Member
iii)	Managing Director, Kerala State Co-operative Bank.	- Member
iv)	Chief of Agriculture, State Planning Board.	- Member
v)	Representative of Planning Dept.	- Member
vi)	Representative of Finance Dept.	- Member
vii)	Joint Secretary to Government (Co-operation Department)	- Member Secretary (Convener)

viii) Chief Executive of the concerned society

14. The application for the assistance under the scheme shall be made in Form A and forwarded to the Registrar of Co-operative Societies through the Joint Registrar (General) of the concerned district. The application shall be supported by a resolution of the Managing Committee of the society specifying the amount of assistance required and an undertaking to the effect that the committee agrees to abide by the rules and the instructions issued by the Registrar of Co-operative Societies or Government from time to time. A certificate from the Joint Registrar (General) of the district concerned to the effect that the society is free from corrupt practices should be enclosed to the application.

15. The Joint Registrar (General) of the district concerned shall send relevant information in respect of the concerned societies as per the prescribed proforma alongwith the project report to the Registrar of Co-operative Societies. The Registrar of Co-operative Societies will send the proposal with an appraisal report alongwith the project report to Government. The appraisal report shall contain full details about the working of the society and about the project. After getting the recommendation of the High Level Committee Government may sanction the assistance subject to availability of budget provision for the scheme.

16. The maximum amount of assistance shall be fixed by the High Level Committee depending upon the quantum of business and cost and nature of the project activities subject to the maximum limit fixed as per rule 2(ii)

17. The amount sanctioned shall be drawn by the Registrar of Co-operative Societies and deposited in the Treasury Savings Bank Account in the name of the institutions concerned. The institutions shall not withdraw the amount or part thereof without prior permission of Registrar of Co-operative Socie-

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ties. The Registrar of Co-operative Societies may give permission to withdraw the amount after obtaining agreement and mortgage deed or hypothication deed executed and after satisfying that the institution concerned has fulfilled the conditions stipulated in the project approved by the High Level Committee.

18. Assistance provided under this scheme shall be utilised only for the purpose for which it is sanctioned.

19. The Government share capital contribution towards the share capital of the Co-operative society under this scheme will be for a period of 6 years repayable in equal instalment. Payment of the first instalment will commence from the 3rd year from the actual date of receipt of the share capital contribution and the subsequent instalment on the corresponding date during the succeeding year. In the event of default in repayment of instalments the society will be liable to pay penal interest @ 2.5% for the defaulted instalments. The society shall forward to the Registrar of Co-operative Societies a printed share certificates in favour of Governor of Kerala within one month of the release of the share capital contribution.

20. The dividend accruing on the share capital contribution of the Government shall be remitted in the Treasury within one month after the declaration of dividend by the General body of the society.

21. The loan shall be repaid in 10 equal annual instalments alongwith interest fixed by Government from time to time. The first instalment shall fall due on the expiry of the third year of the date of drawal of the amount from Treasury.

22. If the society makes default in the repayment of any instalment or instalments of the loan the entire amount with

interest as on the date of payment shall become recoverable in lump.

23. The Registrar of Co-operative Societies is competent to order for the recovery of assistance under this scheme. All amounts ordered to be recovered shall be recoverable as though they are arrears of land revenue under the provision of the Revenue Recovery Act 1968 for the time being in force.

24. The President and the members of the Managing Committee of the society and Secretary/Chief Executive shall be jointly and severally responsible for the proper utilisation of the assistance received under this scheme.

25. The society receiving the Government assistance under this scheme shall execute an agrrement in form 'B' and a Mortgage deed in form 'C' appended to these Rules. In the case of small co-operative societies which do not have their own land and who have been sanctioned assistance under this scheme up to Rs.2 lakhs only for undertaking activites for the improvement of the welfare of the members with assistance sanctioned shall execute an agreement in form 'D' hypothecating the machineries/ assets purchased as a part of the project with the assistance sanctioned. If the society intends to make any additional hypothication with same Machinery/Assets for availing financial assistance from other institution other than Government, the society shall get prior sanction from Government. The agreement and mortgage deed/hypothication deed shall be signed on behalf of the society by the President, Chief Executive and one member of the Managing Committee. The agreement and Mortgage deed/hypothication deed shall be kept under the safe custody of the Registrar of Co-operative Societies.

26. The Joint Registrar (General) of the District concerned shall maintain Demand Collection Balance Registrar with regard to the financial assistance sanctioned to the society under the scheme and shall watch the due fulfillment of the terms and conditions of the assistance and retirement

of share capital contribution and repayment of loan instalments and interest due thereon to Government.

27. The assistance sanctioned under the scheme shall be utilised within a period of two years from the date of release of the amount to the society. If the society does not utilise the amount within 2 years the entire amount shall be refunded to Government. However, Government is competent to extend the period of utilisation if the Government is convinced that the non-implementation of the project is owing to the reasons beyond the control of the society.

28. If the society is not fulfilling the conditions prescribed by Government for availing assistance the entire amount shall be refunded to Government.

29. The Joint Registrar of Co-operative Societies (General) of the concerned districts shall watch the utilisation of the share contribution, loan and subsidy and furnish the utilisation certificate of the share and subsidy to the Accountant General, Kerala with a copy to the Registrar of Co-operative Societies.

30. The society receiving the assistance will submit progress/ status reports to Registrar of Co-operative Societies on a six monthly basis or whenever called for.

Form D

THIS DEED OF HYPOTHECATION made on the . . . day of . . . . . . Two thousand . . . . by Sri/Smt. . . . . (PRESIDENT). . . . . son of . . . . aged . . . ., ...(house) . . . . .Kara . . . . Village . . . . Taluk . . . . District, Sri/Smt. . . . . (SECRETARY/CHIEF EXECUTIVE) Son of . . . . aged . . . .(house). . . . . (Kara). . . . . Village. . . . . Taluk . . . . District and Sri/Smt. . . . .(BOARD MEMBER) Son of . . . . aged . . . ., ... (House) . . . . Kara . . . . Village . . . . Taluk . . . . .District for and on behalf of the . . . . Society/Bank Limited No.. . . . . . , a society registered under the Kerala Co-operative Societies Act 1969 (Act 21 of 1969) and having its registered Office at . . . . .P.O. (hereinafter called the 'hypothecator') in favour of the Governor of Kerala (hereinafter called 'th Government').

WHEREAS the hypothecator has applied to the Government for a loan of Rs. . . . .(Rupees . . . . only) under the rules for the payment of financial assistance to co-operative societies for taking up projects for expansion and diversification objectives (hereinafter referred to as 'the Rules');

. . . .(PRESIDENT) Member No.

. . . .(SECRETARY)

. . . .(BOARD MEMBER/ CHIEF EXECUTIVE) Member No.

WHEREAS the Government have in order No. G.O.(MS)No. . . ./. . . /. . . . . . dated . . . . of the Co-operation Department, Government Secretariat, Thiruvananthapuram (hereinafter referred to as the 'Said Order') sanctioned the payment of the loan of Rs. . . . .(Rupees . . . . only)to the hypothecator for the purpose of taking up projects for expansion and diversification of activities recommended by the High Level Committee and Government subject to the terms and conditions contained in the said order and in the Rules(copies of which are hereto attached and which shall form part of this deed as if incorporated herein) and subject to the terms and conditions hereinafter appearing;

NOW, THESE PRESENTS WITNESS AS FOLLOWS:-

(1) In consideration of the sum of Rs. . . . . (. . . . . .only) sanctioned to the hypothecator by the Government, the hypothecator doth hereby transfer by way of simple mortgage to the Government all the assets particulars of which are mentioned and described in the schedule hereunder written to the Intent that the assets shall remain and be charged with by way of secturity for the due and deligent 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 order and for the due fulfilment by the hypothecator of the terms and conditions herein contained and those contained in the Rules and in the said order and the Government shall have the first charge over the same.

2. The hypothecator doth hereby agree that the hypothecator shall abide by the terms and conditions contained in the Rules and in the said order which shall form part of this deed.

3. The hypothecator doth hereby assures the Government that the hypothecators are the absolute owners of the assets hereby hypothecated and that it is free from any encumbance or charge

of any description whatsoever or any attachment or restraints on alienaton.

4. The hypothecator shall not at any time during the continuance of this security create any charge by way of hypothecation, Pledge or otherwise create encumbrance of any kind whatsoever in respect of the assets mentioned and described in the schedule hereto or part with possession of the same and that it shall remain and continue to remain from any encumbrance or liability whatsoever.

. . . . (PRESIDENT) Member No.

. . . .(SECRETARY/CHIEF EXECUTIVE)

. . . .(BOARD MEMBER) Member No.

5. The hypothecator doth hereby agree that the amount of the loan shall not be utilised for any purpose other than that for which it is granted.

6. The hypothecator shall maintain a separate register and render correct accounts of the expenditure incurred out of the loan. The accounts shall be open for inspection by any officer authorised on this behalf by the Government or Registrar of Co-operative Societies.

7. The loan shall bear interest at the rate prescribed by Government from time to time.

8. The Principal amount of loan and interest thereon shall be repaid by the hypothecator as prescribed in the sanction order and the Rules.

9. If any instalment of Principal or interest is not paid on the due date the penal interest at the rate of 21/2 % in addition to the usual rate will be paid on the amounts which have become overdue.

10. In case of the hypothecator fails to comply with all or any of the terms and conditions on which the said loan has been granted either by utilising 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 said loan or any part thereof or any interest thereon or commit breach of all or any of the terms and conditions herein contained or in the Rules or in the said order then and in any such case the Government shall be competent to recover the entire sum thereon outstanding in a lump at once and the Government shall have power to proceed against the assets herein hypothecated and charged and the Government shall have all the powers vested under the transfer of property act.

...............(PRESIDENT) Member No.

...............(SECRETARY/CHIEF EXECUTIVE)

...............(BOARD MEMBER)

11. The hypothecator 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 These Presents shall be recoverable from the hypothecator and its assets herein hypothecated and other movable properties, 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.

12. The hypothecator hereby assures unto the Government that the executants hereof on behalf of the hypothecator have got full power and authority to do so as per Resolution No. . . . . dated: . . . . of the hypothecator.

SCHEDULE

No Description
1,
2,
3,
4,
5,
6,
7,

Details

. . . . .Value . . . .
. . . .(PRESIDENT). . . . . .Member No.
. . . .(SECRETARY/CHIEF EXECUTIVE) . . . .
. . . .(BOARD MEMBER). . . . . .Member No.

IN WITNESS WHEREOF Sri/Smt. . . . .(PRESIDENT), Sri/Smt. . . . . (SECRETARY/CHIEF EXECUTIVE) and Sri./Smt. . . . . (BOARD MEMBER) for and on behalf of the hypothecator, have hereunto set their hands the day and years first above written at . . . . .P.O.. . . . . .Village within the jurisdiction of the Sub Registrar . . . . with the intention to register this deed at the Sub Registry Office . . . .

SIGNED BY Sri/Smt. . . . .(PRESIDENT)

SIGNED BY Sri/Smt. . . . .(SECRETARY/CHIEF EXECUTIVE)

SIGNED BY Sri/Smt. . . . .(BOARD MEMBER)

In the presence of Witnesses:-

(1) . . . .
. . . .
. . . .

(2) . . . .
. . . .
. . . .

(X) Expansion and diversification activities

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 (hereinafter referred to as the Government) of the 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 cooperatives and~~ (X) whereas Government have agreed 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 . . . .) sanctioned to the society as share capital contribution and Rs. . . . . (Rupees . . . .) sanctioned to the society as subsidy shall be utilised only for implementation of the ~~Revitalisation~~ Expansion & diversification scheme approved by the High level committee.

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 the share capital contribution amount of Rs. . . . . (Rupees . . . .) in ten equal annual instalments the first instalment commencing from the ~~6th anniversary of the~~ 3rd year from the actual date of ~~drawal~~ receipt 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 Rule the Society shall pay penal interest at the rate of 2 1/2 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. Not with 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 an on behalf of the society have the power and authority to do so by virtue of . . . . (Here enter authority).

....3/-

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 presence of Witness.

1) Sri. . . . .

2) Sri. . . . .

bk/25.3.97

FORM-C

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 Mortgager" 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 Rules for the Grant of assistances under the "Rehabilitation package of weak but potentially viable Co-operative Societies" (hereinafter referred to as " the Rules").

Whereas, the Government/Registrar in order No. . . . . dated . . . . (Hereinafter 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 a re hereto attached and which shall form part of this deed a if incorporated herein and subject to the terms and conditions hereinafter 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 buy 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 delienet 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 order and for the due fulfilment by the mortgagor of the terms and conditions

.....2/-

herein 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 the 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 hypothecation pledge or otherwise create encumbrance of any kind what so ever in respect of 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.

6. The loan shall hear interestat the rate prescribed by Government from time to time.

7. The Mortgagor shall maintain a separate Register and render correct accounts of the receipt 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 subsequent instalments shall become due on the corresponding dates of the succeeding years until the loan if 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 suceeding years.

9. If any instalment of principal or interest is not paid on the due date a penal interest at the rate of 2 1/2 % in addition to the usuals 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 Rule or shall not duly repay the amount of the loan or any part thereof or any interest therein or any part there of 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 atone 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.

....4/-

12. In case any doubt or dispute arises under or by virtue of this deed the decision of the Government there to shall be final an legally binding on the Mortgagor.

13. The Mortgagor assures the Government that the executants hereof of the mortgagor have got full power and authority to do so as per Resolution No. . . . . of Board of Directors held on . . . . (H.E. Authority).

In witness where of Sri. . . . . (President) Sri. . . . . (Secretary/Manager/Managing Director Sri. . . . . Board member/or members for and Sri. . . . . Board member/or members for and on behalf of the Mortgagor have here unto set their hands the day month and year first above written.

(Here enter details of property and other assets)

Signed by 1) Sri.
2) Sri.
3) Sri.
4) Sri.
5) Sri.

For and on behalf of the Mortgagor
In the Presence of witnesses

1) Sri.

2) Sri.

bk/25.3.97