GOVERNMENT OF KERALA
ABSTRACT

National Co-operative Development Corporation (NCDC) Scheme - Rules for the payment of Financial assistance to the Marketing Co-operative Societies/Primary Agricultural Co-operative Societies and other Co-operative Societies for running Farmers Service Centre - approved - orders issued.

AGRICULTURE (IFA) DEPARTMENT

G.O.(MS)192/2000/AD Dated, Thiruvananthapuram, 6.6.2000

Read:- Letter No.MP(2)16663/99 Dated,21.7.99 from the Registrar of Co-operative Societies, Thiruvananthapuram.

O R D E R

The National Co-operative Development Corporation(NCDC) has introduced a new scheme of Financial Assistance to PACS and PAMS to start and run Farmers Service Centres for undertaking the Supply of fertilizer and other Agricultural inputs to farmers from the year 1998-99. Consequent to this the Registrar of Co-op: Societies has furnished the draft of rules for the payment of financial assistance under this scheme to the societies.

After examining the issue in detail, Government are pleased to approve the rules appended to this order for the payment of Financial assistance to the Marketing Co-operative Societies/ Primary Agricultural Co-operative Societies and other Co-operative Societies for running Farmers Service Centres.

(By order of the Governor)
KURUVILA JOHN
SECRETARY TO GOVERNMENT

To

The Registrar of Co-operative Societies, Thiruvananthapuram.
The Managing Director, National Co-operative Development Corporation, 4-Siri Institutional Area, Hauzkhas New Delhi.110016.

The Deputy Regional Director, NCDC, Thiruvananthapuram.
The District Treasury Officer, Thiruvananthapuram.
The Accountant General (A&E) Thiruvananthapuram(this issue with the concurrence of Finance Department.
The Accountant General(Audit), Thiruvananthapuram.
The Finance Department vide UO No.87515/AWC-1/99/Fin. Dated,4.2.2000.

Forwarded/By Order
Sd/-
Section Officer.

NCDC SPONSORED SCHEME - RULES FOR THE PAYMENT OF FINANCIAL ASSISTANCE TO THE MARKETING COOPERATIVE SOCIETIES/PRIMARY AGRICULTURAL COOPERATIVE SOCIETIES AND OTHER COOPERATIVE SOCIETIES FOR RUNNING FARMERS SERVICE CENTRE.

(1) NCDC has sponsored scheme for providing financial assistance by way of margin money to Co-operative Societies for running farmers service centre so as to enable them to raise working capital finance from Banks for undertaking distribution of agricultural inputs i.e. fertilizers, pesticies etc.

(2) All Primary Agricultural Service Co-operative Societies, Marketing Co-operative Societies and other types of Co-operative Institutions under the administrative control of the Registrar of Co-operative Societies having positive networth will be eligible for the financial assistance by way of margin money as share capital contribution from Government for starting or running Farmers Service Centre for catering to the needs of farmers by marketing fertilizers pesticides, seeds andother agricultural inputs.

(3) The Co-operative Society seeking assistance under this scheme shall not apply for margin money for a different component under a different scheme of the NCDC during a financial year.

(4) The application for NCDC assistance under these rules shall be made in Form A and forwarded to the Registrar of Co-op: Societies, through the Joint Registrar of Co-operative Societies of the District concerned.

(5) The application shall be supported by a resolution of the Managing Committee of the society specifying the nature and the amount of assistance required and agreeing to abide by these rules and the instructions issued by the Registrar of Co-operative Societies or Government from time to time.

(6) The Co-operative Society seeking assistance should prepare viable project report on the proposed project for starting Farmers Service Centres.

(7) The Project report will be approved by the Joint Registrar of Co-operative Societies of the District concerned.

(8) There should be adequate provision in the bye-laws of the society for State participation in the Share Capital of the Society and the proposed activity to be undertaken by the Society.

(9) The Co-operative Society shall have scope and infrastructure to satisfy, the needs of farmers within its area of operation by distributing fertilizers, pesticides, seeds or other Agricultural inputs.

(10) The society shall have a fully qualified and competent Secretary/Managing Director.

(11) The maximum amount of assistance will be fixed by the Registrar of Co-operative Societies as recommended by the District officers of the Co-operative Department.

(12) The Share capital assistance shall be in the ratio 1:5 between the member share and the Government share.

(13) The assistance provided under the scheme should invariably be utilised for the purpose for which it is sanctioned.

(14) The amount sanctioned shall be drawn by the Registrar/Joint Registrar of Co-operative Societies of the District concerned and released to the Societies concerned through separate release orders.

(15) The Government share capital contribution towards the Share Capital of the Co-operative Society under these rules will be of a period of 10 years, repayable by the society in equal instalments. payment of the first instalment shall commence from the first year of the contribution and the subsequent instalments on the corresponding date during the succeeding years. In the event of default in repayment of annual instalment the society is liable to pay penal interest. The Society shall forward to the Joint Registrar of Co-operative Societies a printed share certificate [illegible]

Governor of Kerala within one month of the release of the amount of Capital Contribution.

(16) The dividend accruing on the share capital contribution by the Government shall be remitted in the Treasury within one month after the declaration of dividend by the General Body of the Society.

(17) If the society makes default in the repayment of any instalment or instalments the entire amount as on the date of the payment shall become recoverable in lump.

(18) The Registrar of Co-operative Societies is competent to order the recovery of assistance paid under these rules. All the amount ordered to be recovered shall be recoverable as though they are arrears of land revenue under the provisions of the Revenue Recovery Act for the time being in force.

(19) The President/Secretary/Managing Director and all the members of the Managing Committee of the society shall be jointly and severally responsible for the proper utilisation of the assistance received under these rules.

(20) The Society receiving the assistance under these Rules shall execute an agreement in Form 'D' which shall be signed on behalf of the society by the President, the Chief Executive and two or three members of the Managing Committee. The agreement shall be kept under the safe custody of the Joint Registrar of Co-operative Societies of the District concerned.

(21) The Joint Registrar of Co-operative Societies of the District concerned shall be responsible for maintaining the accounts with regard to the financial assistance sanctioned to the society under the scheme and for watching the fulfilment of the terms and conditions of the assistance and timely retirement of share capital contribution to Government.

(21) The assistance sanctioned under this scheme shall be utilised within a period of six months from the date of sanction of release of the amount to the society.

Contd....4.

However the Registrar of Co-operative Societies is competent to extend the period of utilisation from time to time.

23. The Joint Registrar of Co-operative Societies of the District concerned shall watch the utilisation of the Share Contribution and furnish the utilisation certificate to the Accountant General, Kerala with copy to the Registrar of Co-op: Societies.

Endt.No.MP(2)16663/99

Office of the Registrar of Co-operative Societies, Thiruvananthapuram,
Dated,22.6.2000.

Copy with copy of enclosures communicated to all Joint Registrars(General) for information and necessary action. They are requested to take immediate steps to reference the assistance already sanctioned to the Societies to start Farmers Service Centre.

FOR REGISTRAR OF COOPERATIVE SOCIETIES.

Os/23.6.2000

FORM.A.

NCDC SPONSORED SCHEME FOR PROVIDING FINANCIAL ASSISTANCE TO FARMERS SERVICE COOPERATIVES (FSC) - APPLICATION OF THE SOCIETY FOR ASSISTANCE.

(1) Name and complete address of the society (in block letters):

(2) Type of society :

(3) Management of the society :

a) Board of Directors : Elected/Nominated

b) Whether the society has full time Manager/Secretary: Yes/No

(4) Godown Capacity available with the society : No. Capacity (in tons)

a) Owned

b) Hired

(5) Whether Society has availed assistance earlier from NCDC if so please indicate.

Activities under which Assistance Availed	Year	Amount of assistance

(6) Financial Status of the society please specify year :

a) Profit (+)/Loss(-) for last 3 years. : Year Profit/Loss

b) Accumulated Profit/Loss : Year Profit/Loss

c) Total own funds (comprising paid up Share Capital, reserve funds and undistributed profit)

(7) Inputs distribution and other business performance for last 2 years and targets of the society for next 2 years. Achievement : Target

(Value in lakh rupees)

Contd....2

a) Fertilisers : (Rs. in lakhs):

b) Seeds (Rs. in lakhs) :

c) Pesticides (Rs. in lakhs) :

d) Other inputs (Rs. in lakhs) :

e) Consumer business(Rs. in lakhs)

f) Other business (Pl.Specify) :

Total :

8. Working Capital and margin Money requirements for inputs and other business for the next two years.

a) Expected peak Level stock :

	Commodity	Value	Commodity	value
a.				
b.				
c.				
d.				
e.				
f.				

b) Commodity wise margin of security to be provided to the bank for raising working Capital (indicate in percentage)

	Commodity	Margin of (Security)
a.		
b.		
c.		
d.		

c) Amount of margin money required:

	Commodity RM	Commodity MM
a.		
b.		
c.		
d.		
e.		
f.		
Total:		

d) Own funds available for business — Total

e) Net Margin money requirement (c-d)

Signature
President

Signature.
Chief Executive of the Society

Certified that the Proforma has been scrutinised and is found to be complete in all respects.

ASSISTANT/DISTRICT JOINT REGISTRAR OF COOPERATIVE SOCIETIES(IN CHARGE OF DISTRICT)

NB: Please strike out whichever is not applicable in the above proforma.

..

FORM. D.

THIS AGREEMENT is executed on this . . . . .day of . . . .(month) of . . . . (year) between the . . . .(Name of the society) registered under the . . . . .Act and having its registered office at . . . .(hereinafter referred to as" the Co-operative society") on the one part and the Governor of Kerala (hereinafter referred to as " the Government") on the other part.

WHEREAS the Co-operative Society has applied to the Government for Margin Money/ under NCDC Scheme/ Share Capital Contribution of Rs. . . . .(Rupees . . . .). for the establishment of Farmers' Service Centre under the NCDC Sponsored Scheme Rules.

AND WHEREAS the Government have sanctioned a Share Capital Contribution of Rs.. . . . . .(Rupees . . . . to . . . . Co-operative Society for the above purpose subject to the terms and conditions in the rules and those herein contained.

NOW THIS PRESENTS WITNESS and it is hereby mutually agreed as follows:

1. The Share Capital Contribution shall be Rs. . . . . (Rupees . . . .)
2. The Financial assistance sanctioned shall be utilised by Co-operative Society for establishing Farmers' Service Centre as per the Project Report prepared by society and approved by the Joint Registrar of Co-operative Societies within the time limit Specified in the rules.
3. The Co-operative 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 which shall form part of this agreement.

. . .

(4) In the case of the Co-operative Society commits breach of any or all the terms and conditions herein contained or contained in the rules or order the entire amount granted shall become repayable in alump at once and the Co-operative Society shall pay the same on demand by the Registrar of Co-operative Societies or the Government.

(5) All sums found due to the Government under or by virtue of this agreement shall be recoverable from the Co-operative Society from its assets both movable and immovable under the Revenue Recovery Act, 1968 for the time being in force as such sums are arrears of land revenue and in such other manner as the Registrar of Co-operative Societies Government may deem fit.

IN WITNESS WHEREOF Sri. . . . . .President and Sri. . . . . (Chief executive) for and on behalf of the Co-operative Society Sri. . . . . and Sri. . . . . (member) for and on behalf of the Governor of Kerala have set for and on behalf of the Governor of Kerala have set their hands and the seal of the Co-operative Society has hereunto been affixed the day, month and year first above written.

Signed by 1 . . . . (President of the name of the society)

2. . . . .(Chief Executive Name of the society)

3. . . . .(Member - Managing Committee Name of the Society)

4. . . . . (Member of the Managing Committee) (name of the society

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.

mp T3

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GOVERNMENT OF KERALA

Abstract

Co-operation Department – Rules/guidelines for providing financial assistance to societies undertaking services for hospital, health care and education programmes in the form of loan/share capital under NCDC Scheme- Approved- Orders issued.

10 FEB 2011

Co-operation (B) Department

G.O.(Rt) No.84/2011/Co-op **Dated, Thiruvananthapuram, 08.02.2011**

Read :- 1) Letter No. MT(3)49918/10 dated 07.12.2010 and 29.12.2010 from the Registrar of Co-operative Societies, Thiruvananthapuram.

2) Decision of the Working Group Meeting held on 01.01.2011.

ORDER

As per the letters read above the Registrar of Co-operative Societies has forwarded the draft rules guidelines for providing financial assistance in the form of loan/share capital to societies undertaking services for hospital, health care and education programmes under NCDC Scheme. The Working Group meeting held on 01.01.2011 has resolved to constitute a High Power Committee with the representatives of concerned departments in Government and the High Power Committee shall examine the proposal and thereafter to place the same before the Working Group . Such proposals be sent to the NCDC as resolved by the Working Group.

Government have examined the matter in detail and are pleased to approve the rules/guidelines for financial assistance in the form of loan/share capital to societies undertaking services for hospital, health care and education programmes under NCDC Scheme appended to this order. Government also feels that, there is no need of a High Power Committee as decided by the Working group. Instead, the proposals in this regard shall be examined by the Working Group of Co-operation Department itself before recommending to NCDC.

(By order of the Governor)

S.VIJAYAKUMAR
Additional Secretary to Government

To

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

Forwarded/By order

Section Officer

RULES FOR GRANT OF FINANCIAL ASSISTANCE TO CO-OPERATIVE SOCIETIES UNDERTAKING SERVICES FOR HOSPITAL, HEALTHCARE AND EDUCATION PROGRAMMES IN THE FORM OF LOAN/SHARE CAPITAL UNDER NATIONAL CO-OPERATIVE DEVELOPMENT CORPORATION(NCDC) SCHEME.

1. The rules may be called "Rules for grant of financial assistance to co-operative societies undertaking services for Hospital, Healthcare and Education programmes, in the form of loan/share capital under National Co-operative Development Corporation (NCDC) Scheme".
2. Assistance under these rules shall be given to co-operative societies selected by the Registrar of Co-operative Societies.
3. **Eligibility Criteria**

   The Society applying for the assistance under these rules shall satisfy the following conditions.

   a) The Society shall be registered or deemed to be registered under the Kerala Co-operative Societies Act, 1969.
   b) The societies with suitable provision in the bye-laws and ability to undertake services in Hospital, Healthcare and Education programmes shall be eligible under the scheme.
   c) The Society should have at least 50 members.
   d) The Society should have a minimum paid up share capital of Rs. 1,00,000/- from among its members other than Government.
   e) The byelaws of the society should have provisions for the state participation in the share capital of the society and to borrow funds from the Government/NCDC in accordance with the provisions contained in these rules.
   f) The Society shall be managed by an elected committee.
   g) The Society shall have a full time paid secretary/chief executive.
   h) The Society should be free from corrupt practices.

All the above conditions should be satisfied by the society for becoming eligible for financial assistance under this scheme.

In addition to the above conditions, the Co-operative Societies should fulfill the following criteria for financial assistance under direct funding.

a) The Society should have been in operation for not less than 3 years.
b) The Society should have positive net worth not less than 100% paid up share capital i.e. there should be no erosion in the paid up share capital.

c) The Society should not have incurred any cash loss during last three years and there should be net profit in at least two of previous three years.
d) The Debt equity ratio shall normally be 65:35 depending upon the economic viability of the project.

4. **Purposes**

The assistance shall be extended for the following purposes:-

i. Creation, Modernisation, Expansion, Repairs, Renovation etc. of infrastructural facilities relating to Hospital and Healthcare for human beings and Education.

ii. Margin money for raising working capital required for day to day operations in respect of above services.

iii. Working capital for day to day operations in respect of above services.

5. **Procedure for Application**

Application in prescribed format in quadruplicate should be furnished to the Joint Registrar (General) of the District concerned, accompanied by the following:-

a) Resolution of the Board of Directors requesting for financial assistance from Government, under NCDC Scheme.
b) Undertaking by the Board of Directors to abide by the conditions of these rules and the instructions issued by the Registrar of Co-operative Societies /Government from time to time and to execute the agreement in the prescribed form.
c) A detailed project report on the proposed project activity to be implemented for availing the assistance.
d) Financial statements of the society for the past three years and copies of latest Audit Certificate and tentative Balance Sheet for the periods, if any, in which the audit of accounts are not completed, verified and duly certified by the Assistant Registrar of the Taluk.
e) Board resolution agreeing to maintain the ratio 1:50 between the share amounts collected from among members and Government contribution.
f) No dues certificate by the Joint Registrar (General) of the district concerned stating that there is no amount due to the Government by the society, in any form.
g) Certificate from the Joint Registrar (General) of the district concerned to the effect that the society is free from corrupt practices.

The Joint Registrar (General) of the district will appraise the project report and forward to the Registrar of Co-operative Societies with his clear recommendation. The eligibility of the society for assistance and its repayment capacity with full particulars of financial positions shall be reported by the Joint Registrar while recommending the application. The Registrar of Co-operative Societies may after enquiry as deems fit and satisfying himself shall recommend the proposal to the NCDC through State Government.

6. Pattern of funding

(i). Margin Money

NCDC to State Government	State Government to Society
Loan for availing Bank credit 100%	Loan - 60 % Share - 40 %

(ii). Working Capital

NCDC to State Government	State Government to Society
Loan as per requirement	Loan - 100 %

(iii). Infrastructure Creation (Project facilities)

NCDC to State Government	State Government to Society
Loan - 90%	Loan - 50% Share Capital - 40%
	(Members' Contribution - 10%)

The Government/NCDC shall have the right to alter/modify the above proportions.

7. **Quantum of Assistance**

A. **Share Capital:-** The Society shall be eligible for the Government Share Capital contribution to the extent of 50 times of the paid up share capital raised from among the members of the Society.

B. **Loan:-** Loan amount shall be fixed by the Government, as per requirement, presented in the project report.

8. The Government shall be the authority competent to sanction the assistance to the society.

9. **Drawal of Assistance.** The society receiving the Government assistance under these rules shall execute an agreement in Form A for availing Share Capital Contribution and a mortgage deed in Form B for availing loan portion. The assistance sanctioned by the Government/NCDC shall be drawn and disbursed by the Registrar of Co-operative Societies after obtaining agreement, share certificate, receipt and after satisfying that the institution concerned has fulfilled all the terms and conditions. The society shall not withdraw the amount or part thereof, without prior permission of the Registrar of Co-operative Societies.

10. **Utilization:** The assistance provided under these rules shall be utilised only for the purpose for which it was sanctioned, within a period of 12 months from the date of drawal of assistance. The Registrar of Co-operative Societies shall be competent to extend the period of utilization for 6 months on genuine grounds. If the society fails to utilise the amount within the sanctioned period, the entire assistance with interest as on date shall be refunded to Government in lump.

11. **Retirement of Share Capital**. The share capital contribution sanctioned to a society under these rules shall be repaid in 10 equal annual instalments commencing from the 2nd anniversary of the deemed date of drawal of the amount from the treasury.

12. **Period, Moratorium & Repayment of Loan**. The loan amount should be repaid with interest within a maximum period of 8 years or within a period as may be fixed by Government/NCDC with moratorium period of 1-2 years in repayment of loan depending upon the project gestation period. There shall be no moratorium in payment of interest. Margin money loan shall be for a period of 5 years without any moratorium in repayment of loan. Period of working capital loan shall be 1-2 years without any moratorium in repayment of loan. The loan shall be repaid in annual instalments and the first installment of repayment of loan falls due in the first anniversary of the deemed date of drawal of the amount from the treasury. Rate of interest prevailing at the time of disbursement of funds shall be applicable. The Government/NCDC shall have the right to alter the above periods.

13. The Society shall not sell, transfer or otherwise dispose off or create any encumbrance on the movable or immovable assets acquired out of the financial assistance availed under the scheme without the consent of the Government.

14. The society shall insure the assets acquired out of the financial assistance availed under the scheme, against loss or damage, with State Insurance department or any Insurance Company for a sum not less than the cost of the asset and the policy be assigned in favour of Government. The Society shall punctually pay the premium for effecting and keeping up such policy or policies of insurance till the entire assistance is repaid.

15. 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, repayment of loan and interest thereon and furnish the utilization certificate of assistance to the Accountant General, Kerala in due course, under intimation to Registrar of Co-operative Societies. The Registrar of Co-operative Societies shall be competent to issue any directions that he may consider necessary, for the proper utilization of the assistance.

16. The President, the Board of Directors and the Secretary/Chief executive of the Society shall be jointly and severally responsible for the proper utilization of the assistance received under the scheme.

17. The dividend on the share capital contribution of Government shall be remitted in the Treasury within one month after the declaration of dividend by the General Body of the Society.

18. The society shall not refund any share to its members, which will affect the 1:50 ratio between the members' contribution and the Government contribution.

19. **Consequence of default of repayment:** In case of breach of all or any of the terms and conditions contained in these rules the entire amount shall become repayable to Government in lump. Penal interest @ 2.5% per annum will also be payable on any belated payment of share capital. If the society makes default in payment of instalments of loan, society has to pay penal interest@2.5% over the normal rate of interest or repay the assistance in lump with interest and penal interest fixed by the Government.

20. All sums found due to Government 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 revenue and in such other manner the Government may deem fit.

21. Notwithstanding anything contained in the byelaws of the society, or any agreement what so ever, it shall be open to the Government to withdraw at any time the whole or any portion of the share in which case of the society shall be liable to refund to Government the value of the share so ordered to be withdrawn.

22. The assets acquired from of the financial assistance availed under the scheme shall become the property of the Government till the loan/share capital is fully repaid to Government.

23. The Government may by an order for reasons to be recorded in writing, exempt any society from any of the provisions of these rules.

24. **Assistance for purchase of vehicle/Equipment**

In the case of purchase of vehicle/equipments under the scheme, the following conditions shall also be satisfied by the societies.

a) The vehicle/equipment shall be purchased from approved dealers after inviting quotation/tenders. The body building of vehicles shall also be done after inviting quotation/tenders.
b) The society shall purchase the vehicle within 90 days from the date of drawal of the amount and furnish utilization certificate to the authority concerned.
c) The society within 30 days of the purchase of vehicle, shall execute a mortgage deed in Form C in favour of the Government mortgaging/hypothecating the vehicle as security in addition to share certificate and agreement.
d) The vehicle together with the body built thereon shall remain the property of the Government until the entire share capital/loan with interest is repaid by the borrower to the Government.
e) The vehicle purchased shall be got insured by the borrower.

Section officer.

[illegible]

FORM - A

AGREEMENT

THIS AGREEMENT is executed on this the day ....day of...Two Thousand...............................BETWEEN (here enter the name of the society) a society registered under the Kerala Co-operative Societies Act, 1969 and having its registered office at ....(herein after referred to as " the society") of the one part and the GOVERNOR OF KERALA (herein after referred to as "the Government") of the other part;

WHEREAS on the application of the society under the rules for grant of financial assistance to co-operative societies undertaking services for Hospital, Healthcare and Education programmes, in the form of loan/share capital under National Co-operative Development Corporation (NCDC) Scheme (herein after called "the rules" which shall form part of this agreement as in incorporated herein) for assistance, the Government have in G.O. No...............................dated.....................(hereinafter called the "said order") which shall form part of this agreement as if incorporated herein sanctioned the payment if an amount of Rs...................... as Share Capital Contribution and Loan to the said society subject to the terms and conditions contained in the Rules, said order and these agreement hereinafter appearing to which the society has also agreed.

NOW THESE PRESENT WITNESSES AND IT IS HEREBY AGREED AS FOLLOWS:-

1. In Consideration of payment of Rs...............(Rupees.................................... Only) the receipt of which the society hereby accepts and acknowledges and the society hereby agrees that the amount shall be utilized only for the e purpose for which it was sanctioned and for no other purpose. The unutilized portion, if any, of the amount paid shall be surrendered to the Government within the time fixed by the Registrar/Joint Registrar of Co-operative Societies.

2. The society shall repay the share capital contribution amount of Rs............. in ten equal annual instalments of Rs...............(Rupees..................................Only) the first instalment being repayable on the date of expiry of the 2nd anniversary year from the date on which the share capital contribution was disbursed to the society and the subsequent instalment on the corresponding dates of the succeeding years.

3. In case of default in payment of any instalment of the amount in accordance with clause(2) above, the society shall pay penal interest at the rate of 2.50% per annum for the defaulted instalments calculated on the amount defaulted from the last date of default till the date of repayment.

FORM – D

THIS DEED OF MORTGAGE made this the ....day of .... by the ....Society Ltd. No. .... a society registered under Kerala Co-operative Societies Act,1969 and having its registered office at (herein after called "The Mortgagor" in favour of the Governor of Kerala(hereinafter called the "Government").

WHEREAS the Mortgagor has applied for financial assistance of Rs......................... as loan and Rs.................. as share capital under the rules for grant of financial assistance to co-operative societies undertaking services for Hospital, Healthcare and Education programmes, in the form of loan/share capital under National Co-operative Development Corporation (NCDC) Scheme (herein after referred to as the "Rule")

WHEREAS the Government have in order dated ....(hereinafter referred as "The order") and sanctioned the payment of a sum of Rs......................(Rupees..................Only) by way of loan/share capital contribution for the purpose of ....subject to the terms and conditions contained in the order and the Rules, copies of which are hereto annexed and which shall form part of this deed as if they are incorporated herein subject to the terms and conditions herein after appearing:-

NOW THIS PRESENTS WITNESS AS FOLLOWS:-

1. In consideration of the loan/share capital of Rs......................(Rupees.. Only) paid by the Government to the Mortgagor(the receipt of which the Mortgagor doth hereby admit and acknowledge) the Mortgagor doth hereby transfer by way of simple mortgage to the Government the leasehold right of the Mortgagor in respect of the property described b in the schedule hereunder written along with the building to be constructed thereon and all other improvements affected thereon from time to time to the intend that the said loan amount, interest and penal interest, if any, in accordance with the Rules and the said orders and , as securities for the due fulfillment by the Mortgagor of the terms and conditions herein contained and those contained in the Rules and in the order, that the Government shall have first charge over the same.

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

3. The mortgage shall not during the continuance of this security, create any mortgage, lien or charge by way of hypothecation, pledge or otherwise create any encumbrance of any kind whatsoever in respect of right properties described in the schedule hereto and or let or lease of part with possession of the same and the same shall remain and continue to remain free from any encumbrance or liability whatsoever.

4. The Mortgagor doth hereby agree that the amount of loan/share capital shall not be utilized for any other purpose other than that for which it is granted.

5. The Mortgagor shall start the project for which the loan granted within three months form the date of receipt of the assistance and shall execute the work in accordance with the directions of the officer authorised in this behalf by the Government and shall complete the project within the time limit specified in the order sanctioning the loan.

6. The Mortgagor shall maintain a register and render correct account of expenditure incurred out of the loan. The accounts shall be open to inspection by such officers authorized in this behalf by the Government.

7. The Mortgagor shall refund to the Government the excess amount over the actual cost of the project within a month.

8. The loan shall bear interest at the rate fixed by the NCDC/Government.

9. The loan amount should be repaid with interest in----- instalments with moratorium period of ----- years in repayment of loan. The first instalment shall become due on the date of expiry of second year from the date of drawal of the loan amount and thereafter the subsequent instalments shall become due on the corresponding dates of the succeeding years until the loan is fully repaid. The interest due on the loan amount outstanding on the date of payment of an instalment shall be paid along with that instalment.

10. If the instalment or principal or interest is not paid on the due date, of penal interest at the rate of 2.50% in addition to the usual rate shall be paid on such amount as are not paid on the due dates.

11. The Mortgagor shall insure the assets acquired out of the financial assistance availed under the scheme, against loss or damage, with State Insurance department or any Insurance Company for a sum not less than the cost of the asset and the policy be assigned in favour of Government. The Mortgagor shall not dispose of or lease or hire out the assets without the prior sanction of the Government.

12. In case the Mortgagor fails to comply with all or any of the terms and conditions on which the said assistance 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 said loan or any part thereof or any interest thereon or any part thereof or commit breach of all or any of the terms and conditions herein contained or in the Rules or in the order, then and in any such case the Government shall be competent to recover the entire amount outstanding, with interest and penal interest in a lump at once and the Government shall have power to proceed against the security properties to recover such sum and the Government shall have all the powers vested in a mortgage under Transfer of Property Act.

13. If the Mortgagor shall duly comply with all the terms and conditions of these present and repay the amount in full with interest the Government shall there upon at the request and cost of the Mortgagor relinquish all his right and interest in the security properties and the ------------------ and --------- on to the Mortgagor.

14. All sums found due to the government under or by virtue of these presents shall be recoverable form the mortgagor and the properties mentioned and described in the schedule here underwritten as if they were arrears of land revenue under the provisions of the Revenue Recovery Act for the time being in force or in any other manner as the Government may deem fit.

15. In case any doubt or dispute arises under or by virtue of this deed the decision of the Government thereto shall be final and legally binding on the Mortgagor.

16. This deed has validity from .... day of ....

IN WITNESS WHEREOF Shri. ...., for and on behalf of the Mortgagor have hereunto set their hands the day and year first above written.

SCHEDULE ABOVE REFERRED TO

Registration District	:
Registration Sub District	:
Taluk	:
Village	:
Firka	:
Desom	:
Corporation	:
Plot No.	:
Tenure	:
Survey and Sub Division Nos.	:
Extent	:

BOUNDARIES

East :

South :

West :

North :

Signed by Shri..........................(Secretary/Managing Director)

Signed by Shri..........................(President)

Signed by Shri..........................(Board Member)

Signed by Shri..........................(Board Member)

For and behalf of the Mortgagor in the presence of witness

1. Shri..............
2. Shri..............

Signed by Shri......................(Name and designation)

For and on behalf of the Governor of Kerala in the presence of witness

1. Shri............
2. Shri............

FORM C

This mortgage deed is made on this the................ Day of Two Thousand.. by the ....Society Ltd No......, a society registered under the ....Act and having its registered office at..............(herein after referred to as the society), in favour of the Governor of Kerala(herein after referred to as the Government).

- Whereas by an agreement executed between the same parties on...........................(herein after referred to as "the Agreement") the Government have advanced to the Mortgagor of loans of Rs.................... under the Rules for grant of financial assistance to co-operative societies undertaking services for Hospital, Healthcare and Education programmes, in the form of loan/share capital under National Co-operative Development Corporation (NCDC) Scheme (herein after referred to as the "the said rules") which expression shall include any amendments thereof or additions thereto for the time being in force for the purchase of vehicle and for body building, subject to the conditions that the society will within two weeks from the date of purchase of the vehicle execute a document hypothecating the said vehicle to the Government as security for the loan amount together with interest and costs, if any, and for the due fulfillment of the terms and conditions continued therein.

Now this deed witnesses as follows:-

1. In pursuance of the said agreement and in consideration of the loan of Rs................(Rs.....................................Only) paid by the Government to the society, the society doth hereby hypothecate the vehicle described in the schedule here to the intent that vehicle shall remain and be charged as security for the repayment to the Government of the loan amount with interest and costs, if any, in accordance with the provisions contained in the said agreement and as security for the due fulfillment by the society of the terms and conditions contained in the said agreement and those herein contained.

2. The society doth hereby agree that it will abide by the terms and conditions contained in the said agreement and in the said rule incorporated herein.

3. The society shall not during the continuance of this security create any mortgage or of charge by way of hypothecation, pledge or otherwise part with possession of the same until the loan amount is repaid in full to the Government.

4. The loan shall be repaid in ------ annual instalments in the manner prescribed in the said rules.

5. The loan shall bear interest at the rate of ......per annum. Interest accrued till the date of repayment of each instalment of loan shall be paid along with that instalment.

6. If any instalment is not paid on the due date an additional interest at the rate of 2.5% per annum in addition to the usual rate of interest shall be paid calculated from the date of default to the date of actual payment.

7. The society shall keep the vehicle in good condition and shall carry out necessary repairs at its own cost until the loan amount is fully repaid.

8. The society shall keep the vehicle insured against damage by fire, theft or accident to the satisfaction of the Registrar of Co-operative Societies for the full value thereof with State Insurance department or any Insurance Company within one month from the date of purchase of the vehicle as prescribed in the said rules.

9. The society shall furnish such information and such returns as the Registrar may call for from time to time.

10. In case the society fails to comply with all or any of the terms on which the loan was advanced or commits breach of all or any of the terms and conditions herein contained then and in any such case, the Government shall have power to seize the vehicle hereby mortgaged to sell the same and to release the loan amount with interest and costs. And for this purpose the Government shall have all the powers vested in a mortgage under section 69 and 69 A of the Transfer of Property Act in respect of power to sell without the intervention of the Court and in the matter of appointment of receiver etc.

The society hereby further agree that without prejudice 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 society and its properties movable and immovable as if they are of land revenue under the provisions of the Revenue Recovery Act for the time being in force and in any other manner as the Government may deem fit.

In witness whereof Shri.. Shri.................................... For and behalf of the society have hereunto set their hands the day and year first above written.

SCHEDULE
(H.E. details)

Signed by Shri..

Signed by Shri..

In the presence of witness

1.

2.

35038

m.T.(I) 35038/08

GOVERNMENT OF KERALA

Abstract

Co-operation Department - NCDC Scheme-Rules for granting Share Capital a loan to Labours Contract Societies for the purpose of procurement of constructi related Machines and Equipments-Approved-Order issued.

CO-OPERATION (B) DEPARTMENT

G.O. (Rt) No.457/2008/Co-op Dated, Thiruvananthapuram, 23/07/2008

Read: - Letter No: MT(1)38883/05 dated 30.3.2006 and letter No. MT(1)54835/ dated 31.12.07 from the Registrar of Co- operative Societies, Thiruvananthapuram.

ORDER

There is no specific Rules at present for granting share capital and loan Labour Contract Societies under NCDC Schemes, which is causing mu difficulties in extending financial assistance to such societies. the Registrar of C operative Societies has therefore submitted draft Rules for the purposes as per i letter read above.

Government after having examined the draft Rules are pleased to appr and issue the rules appended to this order for granting of financial assistance Labour Contract Co-operatives societies for the purposes of procurement construction related Machines and Equipments, Tools and Tackl loading/unloading/packing, Creation of infrastructure such as service compl godown in the form of loan/share capital under NCDC Schemes .

(By order of the Governor)

T. THANKAPPAN
Secretary to Government.

To

The Managing Director, NCDC- Siri Institutional Area, Hauz Khas, New Delhi - 110016.
The Registrar of Co-operative Societies, Thiruvananthapuram.
The Regional Director, NCDC 5th Floor, Co-Bank Towers, Vikas Bhavan P.O. Thiruvananthapuram.

The District Treasury Officer, Thiruvananthapuram.
The Principal Accountant General (Audit), Thiruvananthapuram.
The Accountant General (A&E), Thiruvananthapuram.
Finance Department (Vide U.O.No: 26373/AW-C1/08/Fin dated 27.6.2008)
Stock File/Office Copy.

Forwarded/By order.

Section Officer.

RULES FOR GRANT OF FINANCIAL ASSISTANCE TO LABOUR CONTRACT CO-OPERATIVE SOCIETIES FOR THE PURPOSE OF PROCUREMENT OF CONSTRUCTION RELATED MACHINES AND EQUIPMENTS, TOOLS AND TACKLES, LOADING/UNLOADING/PACKING, CREATION OF INFRASTRUCTURE SUCH AS SERVICE COMPLEX GODOWN IN THE FORM OF LOAN/SHARE CAPITAL UNDER N.C.D.C. SCHEME.

1. The rules may be called " The Rules for the grant of financial assistance to Labour Contract Co-operative Societies" for the purpose of procurement of construction related machines and equipments, tools and tackles, loading/unloading, packing, creation of infrastructure such as Service Complex/Godown in the form of loan/share capital under NCDC Schemes.

2. Assistance under these rules shall be given only to good working and financially sound labour contract co-operative societies selected by the Registrar of Co-operative Societies and classified as A or B for the purpose of entrustment of Government works.

3. The Society applying for assistance under these rules shall satisfy the following conditions:-

(a). The society shall be one organized to provide employment to its unemployed labour members both skilled and unskilled.

(b). The society shall have at least 100 worker members excluding sympathizers.

(c). The number of sympathizer members in the society shall not exceed ten percent of the total number of members subject to a maximum of seven members.

(d). The society shall collect a minimum paid up share capital of Rs.5,00,000/-(Rupees Five lakhs) from the members.

(e). The byelaws of the society should have provisions for the state participation in the share capital of the society and to borrow funds from the Government/NCDC in accordance with the provisions contained in these rules.

(f). The final accounts of the society shall be audited at least upto the preceding year, for which financial assistance is applied for.

(g). The Society shall be managed by an elected committee.

(h). The Society shall have a full time paid secretary.

4. The society should satisfy the following conditions, for sanctioning the amount.

Minimum Member-ship	Minimum paid up share capital of Individual members Rs.	Average value of works taken up annually for the last three years Rs.	Average value of works on hand with the society annually for the last three years Rs.	Average No. of members employed by the society for at least 200 days in one year for the last 3 years	Audit classification for the last 3 years audited
200	5 Lakhs	20 lakhs	50 Lakhs	150	A/B
150	3 Lakhs	20 Lakhs	15 Lakhs	100	A/B
100	5 Lakhs	10 Lakhs	7 Lakhs	70	A/B

All the above conditions should be fulfilled by the society for becoming eligible for financial assistance under this scheme.

Provided, in the case of Societies, where audit classification is below 'B' the Registrar of Co-operative Societies is competent to give exemption from the condition that the society should be classified as A/B, if all other conditions are satisfied.

5. Application in quadruplicate along with financial statements should be furnished to the Joint Registrar(General)of the District concerned, accompanied by the following:-

(a). Resolution of the Board of Directors requesting for financial assistance by National Co-operative Development Corporation.

(b). Undertaking by the Board of Directors to abide by the conditions of these rules to execute the agreement in the form prescribed.

(c). A project report including an estimate of the investment necessary for acquiring tools and equipments, and a list of such equipments to be purchased.

(d). Board resolution agreeing to maintain the ratio 1:50 between the share amount collected from among members and Government contribution.

(e). No dues certificate by the Joint Registrar (General) of the district concerned stating that there is no amount due to the Government.

6. The Joint Registrar(General) of the district will appraise the project report and forwarded to the Registrar of Co-operative Societies, and the Registrar of Co-operative Societies shall recommend the proposal to the National Co-operative Development Corporation through State Government.

7. **Quantum of assistance:-**

(a) The assistance provided by National Co-operative Development Corporation will be 90% of the estimated cost to the State Government. The State Government will in turn provide 50% as loan and 40% as Share capital to the society. The Government /National Co-operative Development Corporation shall have the right to alter the above proportion.

The Society shall be eligible for the Government Share Capital contribution to the extend of 50 (Fifty) times of the paid up share capital raised from among the members of the Society subject to a maximum of Rs.500 lakhs. (Rupees Five hundred lakhs). The amount already paid to the Society by way of Share Capital contribution will also be taken into account in reckoning the maximum amount of assistance under these rules.

(b). The Share capital contribution shall be utilized for strengthening of share capital base/of the society.

(c). The share capital contribution sanctioned to a society under these rules shall be repaid in 10 annual instalments commencing from the 1st anniversary of the deemed date of drawal of the amount from the treasury.

(d). The loan amount should be repaid normally within a period of 8 years or within a period as may be fixed by Government/N.C.D.C., with interest and the first instalment falls due in the first anniversary of the deemed date of drawal of the amount from the treasury.

7. The Government shall be the authority Competent to sanction the assistance to the society.

8. The society receiving Government assistance by way of share capital contribution under these Rules shall execute an agreement in form A appended to these Rules, and a mortgage deed in form B for availing loan portion.

9. The assistance sanctioned by Govt/National Co-operative Development Corporation shall be drawn and disbursed by the Registrar of Co-operative

Societies who shall obtain the share certificate from the society and shall keep it under safe custody.

10. The society shall not refund any share to its members which will affect the 1:50 ratio between members contribution and Government contribution.

11. All sums found due to Government 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 revenue and in such other manner the Registrar may deem fit.

12. In case of breach of all or any of the terms and conditions contained in these rules the entire amount shall become repayable to Government in lump. Penal interest @ 2.5% per annum will also be payable on any belated payment of share capital. If the society makes default in payment of instalments of loan, society has to pay penal interest @ 2.5% over the normal rate of interest or repay the assistance in lump with interest and penal interest fixed by the Government.

13. Notwithstanding anything contained in the Byelaws of the society, or any agreement what so ever, it shall be open to the Registrar of Co-operative Societies to withdraw at any time the whole or any portion of the Government share in which case of the society shall be liable to refund to Government the value of the share so ordered to be withdrawn.

14. The Godown along with the property become the property of the Government till the loan/share capital is fully repaid to Government.

15. The Government may by an order for reasons to be recorded in writing, exempt any society from any of the provisions of these rules.

16. <u>Assistance for purchase of Vehicle/Equipment:</u>

(a). The General Rules specified for loan for margin money will be applicable for assistance for purchase of vehicle/equipment under National Co-operative Development Corporation Scheme, except Mortgage Deed. In addition to the above, the following conditions shall also be satisfied by the societies.

(b). The loans assistance provided by National Co-operative Development Corporation will be 90% of the cost of the vehicle/equipment to the State Government. The State Government will, in turn provide this 90% to the society as loan, Balance 10% will be born by the beneficiary society.

(c) The vehicle shall be purchased from approved dealers after inviting quotation/tenders. The body building shall also be done after inviting quotation/tenders.

(d). The borrower shall purchase the vehicle within 90 days from the date of drawal of the amount and furnish utilization certificate to the authority concerned.

(e). The borrower within 30 days of the purchase of vehicle, shall execute a mortgage deed in form(C) in favour of the Government mortgaging/hypothecating the vehicle as security in addition to share certificate for share portion and agreement for loan portion.

(f) The vehicle together with the body built thereon shall remain the property of the Government until the entire share capital/loan with interest is repaid by the borrower to the Government.

(g). The vehicle purchased shall be got insured by the borrower.

17. The loan sanctioned by NCDC shall be withdrawn only after completing all formalities for disbursal and the amount shall not be drawn in advance and deposited in TP account of Registrar or in the account of Co-operative Bank.

FORM - A
AGREEMENT

THIS AGREEMENT is executed on this the day ....day of.. two thousand............... ....BETWEEN (hereafter name of the society) a society registered under the Act and having its registered offices ....(herein after referred to as " the society") of the one part and the GOVERNOR OF KERALA (Herein after refereed to as "the Government") of the other part ;

WHEREAS on the application of the society under the "Rules- governing Government's share capital contribution and loan to the Labour Contract Co-operative Societies in the state National Co-operative Development Corporation Scheme (herein after called " the rules", which shall form part of this deed as if incorporated herein) for assistance , the Government have in G.O.No..dated ....(herein after called the "said order") which shall form part of this deed as if incorporated herein sanctioned the payment of an amount of Rs...as Share Capital contribution and Loan to the society subject to the terms and conditions contained in the Rules, said order and these herein after appearing to which the society has also agreed.

NOW THESE PRESENT WITNESSES AND IT IS HEREBY AGREED AS FOLLOWS:-

I. In consideration of the payment Rs.................. (Rupees.. only) the receipt or which the society hereby accepts and acknowledges the society hereby agrees that the amount shall be utilized only for the purpose for which it was sanctioned and for no other purpose. The utilized portion, if any, of the amount paid shall be surrendered to the Government with in the time fixed by the Registrar/ Joint Registrar of Co-operative Societies.

2. The society shall repay the share capital contribution amount of Rs.. in ten equal annual instalments of Rs.................. (Rupees.............................. Only) the first instalment being payable on the date of expiry of the 1st anniversary year from the date on which the share capital contribution was disbursed to the society on the subsequent instalment on the corresponding dates of the succeeding years.

3. Incase of default in payment of any instalment of the amount in accordance with clause (2) above society shall pay penal interest at the rate of 2.5% per annum for the defaulted instalments calculated on the amount defaulted from the last date of default till the date of repayment.

4. The society shall issue printed share certificate in the name of the Governor of Kerala to the Registrar of Co-operative Societies with in one month from the date of receipt of the Share Capital contribution.

5. Notwithstanding anything herein contained or in the rules or in the said order or in the byelaw of the society it shall be open to the Government to withdraw at any time with out stating any reason whatsoever the whole or any portion of the Government Share Capital contribution and the society shall there upon forth with refund the amount so withdrawn in a lump.

6(a) The dividend not less than 5% every year (on the shares allotted to Government) shall be paid to the Government by remittance in to the nearest Government treasury with in one month after the division of profitt for each year is approved by the General Body of the society.

(b) The dividend shall be payable on the Share Capital contribution made by the Government in the society from time to time after deducting the repayment made by the society.

7. 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 society shall on demand pay the entire amount due to the Government in a lump at once.

8. If any dispute arises out of or under of touching this agreement the matter shall be referred to the Government and the decision of the Government shall be final and legally binding the society.

9. All sums found due to the Government under or by virtue of this deed shall be recoverable from the society and its properties both movable and immovable under the provisions of the Revenue Recovery Act for the time being in force as enough such are arrear of land revenue and in any other manner as the Government may deem fit.

10. The society hereby declares that the executants here of for and on behalf of the society has got full power and authority to execute this agreement for and on behalf of the society as per the resolution No......... duly passed.

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

IN WITNESS WHERE OF SHRI.............. ....for and on behalf of the society and Shri............... ....on behalf of the Governor of Kerala have here unto(set their hands and seal of the society has here unto) been fixed the day, month and year first above written.

Signed by Shri....................................... ....for and on behalf of the society.

In presence of Witness:

1.

2.

Signed by Shri...................... ....
.... (Herein after name and designation) for and on behalf of the Governor of Kerala.

In presence of Witness:

1.

2.

FORM – B

THIS DEED OF MORTGAGE made this the ....day of ....by the Society a society registered under Kerala Co-operative Societies Act 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 as the Mortgagor has applied for financial assistance of Rs............................ as loan and Rs.........................as share capital under the Rules for the grant of loan and share capital to Labour Contract Co-operatives Societies.(for herein after referred to as the "Rule".

WHEREAS the Government have in order dated .... (herein after referred as "The order") and sanctioned the payment of the sum of Rs.................... (Rupees.............................only) by way of loan/share capital for the purpose of .... subject to the terms and conditions contained in the order and the Rules, copies of which are hereto annexed and which shall form part of this deed as if they are incorporated herein and subject to the terms and conditions herein after appearing:-

NOW THESE PRESENTS WITNESS AS FOLLOWS:-

(1) In consideration of the loan/share capital of Rs........................ (Rupees.................................only) paid by the Government to the Mortgagor (the receipt of which the Mortgagor doth hereby admit and acknowledge). Mortgagor doth hereby transfer by way of simple mortgage to the Government the lease hold right of the Mortgagor in respect of the property described in the schedule here under written along with the building to be constructed thereon and all other improvements affected thereon from time to time to the intend that the said right, building and other improvements shall remain and be charged as security, for the payment of the Government of the said loan amount, interest and penal interest, if any, in accordance with the Rule and said orders and, as securities for the due fulfillment by the Mortgagor of the terms and conditions herein contained and those contained in the Rules and in the order, and that the Government shall have first charge over the same.

(2) The Mortgagor doth hereby agree that the mortgagor will abide by the terms and conditions contained in the Rule and the said order which shall form part of this deed.

(3) The mortgage shall not, during the continuance of this security, create any mortgage, lien or charge by way of hypothecation, pledge or otherwise create any encumbrance of any kind whatsoever in respect of right properties described in the schedule hereto and or let or lease of part with possession of the same and the same shall remain and continue to remain free from any encumbrance or liability what so ever.

(4) The Mortgagor doth hereby agree that the amount of loan/share capital shall not be utilised for any purpose other than that for which it is granted.

(5) The Mortgagor shall start the work for the execution of which the loan granted within three months from the date of receipt of the 1st instalment and shall execute the work in accordance with the directions of the Assistant Engineer, P.W.D. or other officer appointed in this behalf by the Government and shall complete the work within the time limit specified in the order sanctioning the loan.

(6) The Mortgagor shall maintain a register and render correct account of the expenditure incurred out of the loan. The accounts shall be open to inspection by such officers authorised on this behalf by the Government.

(7) The Mortgagor shall immediately on the completion of the work intimate the fact to the Assistant Engineer, P.W.D

(8) The Mortgagor shall refund to the Government the excess amount over the actual cost of the work within a month.

(9) The loan shall bear interest at the rate fixed by NCDC/Government

(10) The loan shall be repaid by the mortgagor in 8 instalments of Rs......................... (Rupees..). The first installment shall become due on the date of expiry of one year from the date of drawal of the loan amount and thereafter the subsequent installments shall become due on the corresponding dates of the succeeding years until the loan is fully repaid. The interest due on the loan amount outstanding on the date of payment of an installment shall be paid along with that installment.

(11) If the installment of principal or interest is not paid on the due date, of penal interest at the rate of 2.5% in addition to the usual rate shall be paid on such amount as are not paid on the due dates.

(12) The Mortgagor shall insure the ....for an amount not less than the assistance with the State Insurance Department or an Insurance agency approved by the Registrar and the policy may be assigned in favour of the Government. The Mortgagor shall not dispose of or lease or hire out the ....without the prior sanction of the Government.

(13) In case the Mortgagor fails to comply with all or any of the terms and conditions on which the said assistance has been granted either by applying the loan amount or any part there of or otherwise than as provided in the said Rules or shall not duly repay the amount of the said loan or any part there of or any interest there on or any part there of or commit breach of all or any of the terms and conditions here in contained or in the Rules or in the order, then and in any such case the Government shall be competent to recover the entire amount outstanding, with interest and penal interest in a lump at once and the Government shall have power to proceed against the security properties to recover such sum and the Government shall have all the powers vested in a mortgage under transfer of property Act.

(14) If the Mortgagor shall duly comply with all the terms and conditions of these present and repay the amount in full with interest the Government shall there upon as the request and cost of the Mortgagor relinquish all his right and interest in the security properties and the .... and.................................there onto the Mortgagor.

(15) All sums found due to Government under or by virtue of these presents shall be recoverable from the mortgagor and the properties mentioned and described in the schedule hereunder written as if they were arrears of land revenue under the provisions of the Revenue Recovery. Act for the time being in force or in any other manner as the Government may deem fit.

(16) In case any doubt or dispute arises under or by virtue of this deed the decision of the Government there to shall be final and legally binding on the mortgagor.

(17) This agreement has validity from ....day of ....

IN WITNESS WHEREOF Shri.......................................for and on behalf of the Mortgagor have hereunto set their hands the day and year first above written.

SCHEDULE ABOVE REFERRED TO

Registrar District

Registration Sub District

Taluk

Village

Firka

Desom

Corporation

Plot No.

Tenure

Survey and sub Division Nos.

Extent

BOUNDARIES

East

South

West

North

Signed by Shri.. (Secretary / Managing Director)

Signed by Shri.. (President)

Signed by Shri.. (Board Member)

Signed by Shri.. (Board Member)

For and on behalf of the Mortgagor in the presence of witness

1. Shri..

2. Shri..

Signed by Shri.. (Name and Designation)

For and on behalf of the Governor of Kerala in the presence of witness

1. Shri..

2. Shri..

FORM - C

The mortgage dee is made on this the ....day of Two Thousand ....by the society, a society registered under the ....Act and having its registered office at (here in after referred to as the society), in favour of the Governor of Kerala (here in after referred to as the Government).

Whereas by an Agreement executed between the same parties on ....(here in after referred to as "the Agreement") the Government have advanced to the Mortgagor of loans of Rs.........................under the Rules for the grant of loans to Co-operative societies for the purchase of trucks (here in after referred to as "the said Rules") which expression shall include any amendments thereof or additions thereto for the time being in force for the purchase of a truck and for body building, subject to the condition that the society will within two weeks from the date of purchase of the truck execute a document hypothecating the said truck to Government as security for the loan amount together with interest and costs, if any, and for the due fulfillment of the terms and conditions continued therein.

Now this deed witnesses as follows:-

In purchase of the said agreement and in consideration of the loan of Rs................ (Rs.......................................only) paid by the Government to the society, the society doth hereby hypothecate the truck described in the schedule here to the intent that truck shall remain and be charged as security for the repayment to the Government of the loan amount with interest and costs, if any, in accordance with the provisions contained in the said agreement and as security for the due fulfillment by the society of the terms and conditions contained in the said agreement and those herein contained.

2. The society doth hereby agree that it will abide by all the terms and conditions contained in the said agreement and in the said Rule ....incorporated herein.

3 1 MAY 2011

021816

GOVERNMENT OF KERALA

Abstract

Co-operation Department -Rules for grant of financial assistance to Co-operatives including Agricultural Credit Co-operatives for development of infrastructural facilities for Agricultural Credit activities in the form of Loan and Share Capital contributions under NCDC Scheme-Approved -Orders issued.

Co-operation (B) Department

G.O (Rt) No: 338/2011/Co-op **Dated, Thiruvananthapuram,19.05.2011**

Read: (1) Letter No.NCDC:16-3/2010 P(SC) dated 02.12.2010 from the Managing Director, NCDC, New Delhi.

(2)Letter No.CP(4)57386/10 dated 21.03.2011 from the Registrar of Co-operative Societies, Thiruvananthapuram.

(3)Decision of the Working Group held on 01.03.2011.

ORDER

As per the letter read as 2nd paper above, the Registrar of Co-operative Societies has forwarded the draft rules for grant of financial assistance to Co-operatives for development of infrastructural facilities for Agricultural Credit activities in the form of Loan and Share Capital contributions under NCDC Scheme. The Working Group Meeting held on 01.03.2011 has resolved to approve the draft rules furnished by the Registrar of Co-operative Societies, subject to certain modifications.

Government have examined the matter in detail, and are pleased to approve the rules for grant of financial assistance to Co-operatives including Agricultural Credit Co operatives for development of infrastructural facilities for agricultural credit activities in the form of Loan and Share capital contributions under NCDC Scheme. The Rules are appended to this order.

(By the order of the Governor)
P.K.MOHANTY
Additional Chief Secretary to Government

To

The Managing Director, NCDC, 4- Siri Industrial Area, Hauz Khas, New Delhi-16

RULES FOR GRANT OF FINANCIAL ASSISTANCE TO CO-OPERATIVES INCLUDING AGRICULTURAL CREDIT CO-OPERATIVES FOR DEVELOPMENT OF INFRASTRUCTURAL FACILITIES FOR AGRICULTURAL CREDIT ACTIVITIES IN THE FORM OF LOAN AND SHARE CAPITAL CONTRIBUTIONS UNDER (NCDC) SHCEME.

1. These rules may be called the "Rules for grant of financial assistance to co-operative societies/Banks for infrastructural facilities for the agricultural credit activities".

2. Assistance under these rules shall be given to Primary Agricultural Co-operative Societies, Primary Co-operative Agricultural Rural Development Bank, District Co-operative Bank State Co-operative Bank, and State Co-operative Agricultural and Rural Development Bank.

3. **Eligibility Criteria**

   a. The Societies /Banks should have provision in the byelaws to undertake agricultural credit activities.

   b. The society/Bank should have a minimum paid up share capital of Rs. 1.00 lakh.
   c. The Co-operative Society should have positive net worth.
   d. The Society/Bank should have an elected Managing Committee.
   e. The Society/Bank should have a full time paid secretary.
   f. The Society should be free from corrupt practice and there should not be any dues to Government.

4. Mode of Financing

The assistance shall be provided through the State Government on the following patterm to the projects/purposes.

5. Pattern of funding

NCDC TO STATE GOVERNMENT	STATE GOVERNMENT TO SOCIETY/BANK	
Loan – 90% of the project cost	Loan – 50% SC – 40%	10 % should be met by the Society out of own funds

6. Purposes

The assistance will be given for the following purpose :-

Creation, Modenization, Expansion, Repairs, Renovation etc of infrastructural facilities such as branch/office buildings, counters, strong rooms, safe deposit vaults, vechicles, furniture & fixtures etc of agricultural credit Co-operatives.

7. **Procedure for Application**

Application in prescribed format in quadruplicate should be furnished to the Joint Registrar (General) of the District concerned, accompanied by the following:-

a) Resolution of the Board of Directors requesting for financial assistance from Government, under NCDC Scheme.
b) Undertaking by the Board of Directors to abide by the conditions of these rules and the instructions issued by the Registrar of Co-operative Societies /Government from time to time and to execute the agreement in the prescribed form.
c) A detailed project report on the proposed project activity to be implemented for availing the assistance.
d) Financial statements of the society for the past two years and copies of latest Audit Certificate and tentative Balance Sheet for the periods, if any, in which the audit of accounts are not completed, verified and duly certified by the Assistant Registrar of the Taluk.
e) Board resolution agreeing to maintain the ratio 1:5 between the share amounts collected from among members and Government contribution.
f) No dues certificate by the Joint Registrar (General) of the district concerned stating that there is no amount due to the Government by the society, in any form.
g) Certificate from the Joint Registrar (General) of the district concerned to the effect that the society is free from corrupt practices.

The Joint Registrar (General) of the district will appraise the project report and forward to the Registrar of Co-operative Societies with his clear recommendation. The eligibility of the society for assistance and its repayment capacity with full particulars of financial positions shall be reported by the Joint Registrar while recommending the application. The Registrar of Co-operative Societies may after enquiry as deems fit and satisfying himself shall recommend the proposal to the NCDC through State Government.

8. **Quantum of Assistance**

A. **Share Capital:-** The Society shall be eligible for the Government Share Capital contribution to the extent of 5 times of the paid up share capital raised from among the members of the Society, subject to a maximum of Rs. 50 lakhs to the Societies classified as special grade class I, II and III and Rs. 25/- lakhs to the Societies classified as IV, V, VI and VII respectively.

B. **Loan:-** Loan amount shall be fixed by the Government, as per requirement, presecribed in the project report, subject to a maximum of 50% of the project cost.

9. The Government shall be the authority competent to sanction the assistance to the society.

10. **Drawal of Assistance.** The society receiving the Government assistance under these rules shall execute an agreement in Form A for availing Share Capital Contribution and a mortgage deed in Form B for availing loan portion. The assistance sanctioned by the Government/NCDC shall be drawn and disbursed by the Registrar of Co-operative Societies after obtaining agreement, share certificate, receipt and after satisfying that the institution concerned has fulfilled all the terms and conditions. The society shall not withdraw the amount or part thereof, without prior permission of the Registrar of Co-operative Societies.

11. **Utilization:** The assistance provided under these rules shall be utilised only for the purpose for which it was sanctioned, within a period of 12 months from the date of drawal of assistance. The Registrar of Co-operative Societies shall be competent to extend the period of utilization for 6 months on genuine grounds. If the society fails to utilise the amount within the sanctioned period, the entire assistance with interest as on date shall be refunded to Government in lump.

12. **Repayment of Share Capital.** The share capital contribution sanctioned to a society under these rules shall be repaid in 10 equal annual instalments commencing from the 2nd anniversary of the deemed date of drawal of the amount from the treasury.

13. **Period, Moratorium & Repayment of Loan.** The loan amount should be repaid with interest within a maximum period of 8 years or within a period as may be fixed by Government/NCDC with moratorium period of 1-2 years in repayment of loan depending upon the project gestation period. There shall be no moratorium in payment of interest. The loan shall be repaid in annual instalments and the first installment of repayment of loan falls due in the second anniversary of the deemed date of drawal of the amount from the treasury. Rate of interest prevailing at the time of disbursement of funds shall be applicable. The Government/NCDC shall have the right to alter the above periods.

14. The Society shall not sell, transfer or otherwise dispose off or create any encumbrance on the movable or immovable assets acquired out of the financial assistance availed under the scheme without the consent of the Government.

15. The society shall insure the assets acquired out of the financial assistance availed under the scheme, against loss or damage, with State Insurance department or any Insurance Company for a sum not less than the cost of the asset and the policy be assigned in favour of Government. The Society shall

punctually pay the premium for effecting and keeping up such policy or policies of insurance till the entire assistance is repaid.

16. 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, repayment of loan and interest thereon and furnish the utilization certificate of assistance to the Accountant General, Kerala in due course, under intimation to Registrar of Co-operative Societies. The Registrar of Co-operative Societies shall be competent to issue any directions that he may consider necessary, for the proper utilization of the assistance.

17. The President, the Board of Directors and the Secretary/Chief executive of the Society shall be jointly and severally responsible for the proper utilization of the assistance received under the scheme.

18. The dividend on the share capital contribution of Government shall be remitted in the Treasury within one month after the declaration of dividend by the General Body of the Society.

19. The society shall not refund any share to its members, which will affect the 1:50 ratio between the members' contribution and the Government contribution.

20. <u>Consequence of default of repayment</u>: In case of breach of all or any of the terms and conditions contained in these rules the entire amount shall become repayable to Government in lump. Penal interest @ 2.5% per annum will also be payable on any belated payment of share capital. If the society makes default in payment of instalments of loan, society has to pay penal interest@2.5% over the normal rate of interest or repay the assistance in lump with interest and penal interest fixed by the Government.

21. All sums found due to Government 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 revenue and in such other manner the Government may deem fit.

22. Notwithstanding anything contained in the byelaws of the society, or any agreement what so ever, it shall be open to the Government to withdraw at any time the whole or any portion of the share in which case of the society shall be liable to refund to Government the value of the share so ordered to be withdrawn.

23. The assets acquired from of the financial assistance availed under the scheme shall become the property of the Government till the loan/share capital is fully repaid to Government.

24. The Government may by an order for reasons to be recorded in writing, exempt any society from any of the provisions of these rules.

25. Assistance for purchase of vehicle/Equipment

In the case of purchase of vehicle/equipments under the scheme, the following conditions shall also be satisfied by the societies.

a) The vehicle/equipment shall be purchased from approved dealers after inviting quotation/tenders. The body building of vehicles shall also be done after inviting quotation/tenders.
b) The society shall purchase the vehicle within 90 days from the date of drawal of the amount and furnish utilization certificate to the authority concerned.
c) The society within 30 days of the purchase of vehicle, shall execute a mortgage deed in Form C in favour of the Government mortgaging/hypothecating the vehicle as security in addition to share certificate and agreement.
d) The vehicle together with the body built thereon shall remain the property of the Government until the entire share capital/loan with interest is repaid by the borrower to the Government.
e) The vehicle purchased shall be got insured by the borrower.

FORM - A

AGREEMENT

THIS AGREEMENT is executed on this the day ....day of...Two Thousand................................BETWEEN (here enter the name of the society) a society registered under the Kerala Co-operative Societies Act, 1969 and having its registered office at ....(herein after referred to as " the society") of the one part and the GOVERNOR OF KERALA (herein after referred to as "the Government") of the other part;

WHEREAS on the application of the society under the rules for grant of financial assistance to co-operative societies/banks undertaking agriculutral credit activities in the form of loan/share capital under National Co-operative Development Corporation (NCDC) Scheme (herein after called "the rules" which shall form part of this agreement as in incorporated herein) for assistance, the Government have in G.O. No...................................dated.....................(hereinafter called the "said order") which shall form part of this agreement as if incorporated herein sanctioned the payment if an amount of Rs........................ as Share Capital Contribution and Loan to the said society subject to the terms and conditions contained in the Rules, said order and these agreement hereinafter appearing to which the society has also agreed

NOW THESE PRESENT WITNESSES AND IT IS HEREBY AGREED AS FOLLOWS:-

1. In Consideration of payment of Rs................(Rupees...................................... Only) the receipt of which the society hereby accepts and acknowledges and the society hereby agrees that the amount shall be utilized only for the e purpose for which it was sanctioned and for no other purpose. The unutilized portion, if any, of the amount paid shall be surrendered to the Government within the time fixed by the Registrar/Joint Registrar of Co-operative Societies.

2. The society shall repay the share capital contribution amount of Rs............. in ten equal annual instalments of Rs.................(Rupees...................................Only) the first instalment being repayable on the date of expiry of the 2nd anniversary year from the date on which the share capital contribution was disbursed to the society and the subsequent instalment on the corresponding dates of the succeeding years.

3. In case of default in payment of any instalment of the amount in accordance with clause(2) above, the society shall pay penal interest at the rate of 2.50% per annum for the defaulted instalments calculated on the amount defaulted from the last date of default till the date of repayment.

4. The society shall issue printed share certificate in the name of the Governor of Kerala to the Registrar of Co-operative Societies within one month from the date of receipt of the share capital contribution.

5. Notwithstanding anything herein contained or in the rules or in the said order or in the bye law of the society it shall be open to the Government to withdraw at any time without stating any reason whatsoever the whole of any portion of the Government share capital contribution and the society shall there upon forthwith refund the amount so withdrawn in a lump.

6. (a). The dividend not less than 5% every year(on the shares allotted to Government) shall be paid to the Government by remittance in the nearest Government Treasury within one month after the division of profit for each year is approved by the General Body of the society.

6. (b). The dividend shall be payable on the share capital contribution made by the Government in the society from time to time after deducting the repayment made by the society.

7. 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 society shall on demand pay the entire amount due to the Government in a lump at once.

8. If any dispute arises out of or under of touching this agreement the matter shall be referred to the Government and the decision of the Government shall be final and legally binding on the society.

9. All sums found due to the Government under or by virtue of this agreement shall be recoverable from the society and its properties both movable and immovable under the provisions of the Revenue Recovery Act for the time being in force as though such are arrears of land revenue and in any other manner as the Government may deem fit.

10. The society hereby declares that the executants hereof for and on behalf of the society has got full power and authority to execute this agreement for and on behalf of the society as per resolution number .... duly passed.

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

IN WITNESS WHEREOF Shri.. for and on behalf of the society and Shri.......................... on behalf of the Governor of Kerala have hereunto(set their hands and seal of the society has hereunto) been fixed the day, month and year first above written.

Signed by Shri....................................... for and on behalf of the society.

In presence of Witness:

1.

2.

Signed by Shri...............................(here enter name and designation) *for and on behalf of the Governor of Kerala.*

In presence of Witness:

1.

2.

FORM – C

This mortgage deed is made on this the................ Day of Two Thousand....................................... by the ....Society Ltd No......, a society registered under the ....Act and having its registered office at..............(herein after referred to as the society), in favour of the Governor of Kerala(herein after referred to as the Government).

Whereas by an agreement executed between the same parties on..........................(herein after referred to as "the Agreement") the Government have advanced to the Mortgagor of loans of Rs..................... under the Rules for grant of financial assistance to co-operative societies/banks undertaking agricultural credit activities, in the form of loan/share capital under National Co-operative Development Corporation (NCDC) Scheme (herein after referred to as the "the said rules") which expression shall include any amendments thereof or additions thereto for the time being in force for the purchase of vehicle and for body building, subject to the conditions that the society will within two weeks from the date of purchase of the vehicle execute a document hypothecating the said vehicle to the Government as security for the loan amount together with interest and costs, if any, and for the due fulfillment of the terms and conditions continued therein.

Now this deed witnesses as follows:-

1. In pursuance of the said agreement and in consideration of the loan of Rs...............(Rs.....................................Only) paid by the Government to the society, the society doth hereby hypothecate the vehicle described in the schedule here to the intent that vehicle shall remain and be charged as security for the repayment to the Government of the loan amount with interest and costs, if any, in accordance with the provisions contained in the said agreement and as security for the due fulfillment by the society of the terms and conditions contained in the said agreement and those herein contained.
2. The society doth hereby agree that it will abide by the terms and conditions contained in the said agreement and in the said rule incorporated herein.
3. The society shall not during the continuance of this security create any mortgage or of charge by way of hypothecation, pledge or otherwise part with possession of the same until the loan amount is repaid in full to the Government.
4. The loan shall be repaid in ----- annual instalments in the manner prescribed in the said rules.
5. The loan shall bear interest at the rate of ......per annum. Interest accrued till the date of repayment of each instalment of loan shall be paid along with that instalment.

6. If any instalment is not paid on the due date an additional interest at the rate of 2.5% per annum in addition to the usual rate of interest shall be paid calculated from the date of default to the date of actual payment.

7. The society shall keep the vehicle in good condition and shall carry out necessary repairs at its own cost until the loan amount is fully repaid.

8. The society shall keep the vehicle insured against damage by fire, theft or accident to the satisfaction of the Registrar of Co-operative Societies for the full value thereof with State Insurance department or any Insurance Company within one month from the date of purchase of the vehicle as prescribed in the said rules.

9. The society shall furnish such information and such returns as the Registrar may call for from time to time.

10. In case the society fails to comply with all or any of the terms on which the loan was advanced or commits breach of all or any of the terms and conditions herein contained then and in any such case, the Government shall have power to seize the vehicle hereby mortgaged to sell the same and to release the loan amount with interest and costs. And for this purpose the Government shall have all the powers vested in a mortgage under section 69 and 69 A of the Transfer of Property Act in respect of power to sell without the intervention of the Court and in the matter of appointment of receiver etc.

The society hereby further agree that without prejudice 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 society and its properties movable and immovable as if they are of land revenue under the provisions of the Revenue Recovery Act for the time being in force and in any other manner as the Government may deem fit.

In witness whereof Shri.. Shri.. For and behalf of the society have hereunto set their hands the day and year first above written.

SCHEDULE
(H.E. details)

Signed by Shri..

Signed by Shri..

In the presence of witness

1.

2.

Section officer

FORM – B

THIS DEED OF MORTGAGE made this the ....day of .... by the ....Society Ltd. No. .... a society registered under Kerala Co-operative Societies Act,1969 and having its registered office at (herein after called "The Mortgagor" in favour of the Governor of Kerala(hereinafter called the "Government").

WHEREAS the Mortgagor has applied for financial assistance of Rs.......................... as loan and Rs..................... as share capital under the rules for grant of financial assistance to co-operative societies undertaking agricultural credit activities under National Co-operative Development Corporation (NCDC) Scheme (herein after referred to as the "Rule")

WHEREAS the Government have in order dated ....(hereinafter referred as "The order") and sanctioned the payment of a sum of Rs.......................(Rupees..................Only) by way of loan/share capital contribution for the purpose of ....subject to the terms and conditions contained in the order and the Rules, copies of which are hereto annexed and which shall form part of this deed as if they are incorporated herein subject to the terms and conditions herein after appearing:-

NOW THIS PRESENTS WITNESS AS FOLLOWS:-

1. In consideration of the loan/share capital of Rs.........................(Rupees.. Only) paid by the Government to the Mortgagor(the receipt of which the Mortgagor doth hereby admit and acknowledge) the Mortgagor doth hereby transfer by way of simple mortgage to the Government the leasehold right of the Mortgagor in respect of the property described b in the schedule hereunder written along with the building to be constructed thereon and all other improvements affected thereon from time to time to the intend that the said loan amount, interest and penal interest, if any, in accordance with the Rules and the said orders and , as securities for the due fulfillment by the Mortgagor of the terms and conditions herein contained and those contained in the Rules and in the order, that the Government shall have first charge over the same.

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

3. The mortgage shall not during the continuance of this security, create any mortgage, lien or charge by way of hypothecation, pledge or otherwise create any encumbrance of any kind whatsoever in respect of right properties described in the schedule hereto and or let or lease of part with possession of the same and the same shall remain and continue to remain free from any encumbrance or liability whatsoever.

4. The Mortgagor doth hereby agree that the amount of loan/share capital shall not be utilized for any other purpose other than that for which it is granted.

5. The Mortgagor shall start the project for which the loan granted within three months form the date of receipt of the assistance and shall execute the work in accordance with the directions of the officer authorised in this behalf by the Government and shall complete the project within the time limit specified in the order sanctioning the loan.

6. The Mortgagor shall maintain a register and render correct account of expenditure incurred out of the loan. The accounts shall be open to inspection by such officers authorized in this behalf by the Government.

7. The Mortgagor shall refund to the Government the excess amount over the actual cost of the project within a month.

8. The loan shall bear interest at the rate fixed by the NCDC/Government.

9. The loan amount should be repaid with interest in 8 instalments with moratorium period of 1/2 years in repayment of loan. The first instalment shall become due on the date of expiry of second year from the date of drawal of the loan amount and thereafter the subsequent instalments shall become due on the corresponding dates of the succeeding years until the loan is fully repaid. The interest due on the loan amount outstanding on the date of payment of an instalment shall be paid along with that instalment.

10. If the Instalment or principal or interest is not paid on the due date, of penal interest at the rate of 2.50% in addition to the usual rate shall be paid on such amount as are not paid on the due dates.

11. The Mortgagor shall insure the assets acquired out of the financial assistance availed under the scheme, against loss or damage, with State Insurance department or any Insurance Company for a sum not less than the cost of the asset and the policy be assigned in favour of Government. The Mortgagor shall not dispose of or lease or hire out the assets without the prior sanction of the Government.

12. In case the Mortgagor fails to comply with all or any of the terms and conditions on which the said assistance 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 said loan or any part thereof or any interest thereon or any part thereof or commit breach of all or any of the terms and conditions herein contained or in the Rules or in the order, then and in any such case the Government shall be competent to recover the entire amount outstanding, with interest and penal interest in a lump at once and the Government shall have power to proceed against the security properties to recover such sum and the Government shall have all the powers vested in a mortgage under Transfer of Property Act.

13. If the Mortgagor shall duly comply with all the terms and conditions of these present and repay the amount in full with interest the Government shall there upon at the request and cost of the Mortgagor relinquish all his right and interest in the security properties and the ------------------ and ---------- on to the Mortgagor.

14. All sums found due to the government under or by virtue of these presents shall be recoverable form the mortgagor and the properties mentioned and described in the schedule here underwritten as if they were arrears of land revenue under the provisions of the Revenue Recovery Act for the time being in force or in any other manner as the Government may deem fit.

15. In case any doubt or dispute arises under or by virtue of this deed the decision of the Government thereto shall be final and legally binding on the Mortgagor.

16. This deed has validity from .... day of ....

IN WITNESS WHEREOF Shri. ...., for and on behalf of the Mortgagor have hereunto set their hands the day and year first above written.

SCHEDULE ABOVE REFERRED TO

Registration District :

Registration Sub District :

Taluk :

Village :

Firka :

Desom :

Corporation :

Plot No. :

Tenure :

Survey and Sub Division Nos. :

Extent :

BOUNDARIES

East :

South :

West :

North :

Signed by Shri.........................(Secretary/Managing Director)

Sighed by Shri.........................(President)

Signed by Shri.........................(Board Member)

Signed by Shri.........................(Board Member)

For and behalf of the Mortgagor in the presence of witness

1. Shri.............
2. Shri..............

Signed by Shri......................(Name and designation)

For and on behalf of the Governor of Kerala in the presence of witness

1. Shri............
2. Shri...........

GOVERNMENT OF KERALA

Abstract

005716

Co-operation Department – Rules/Guidelines for providing financial assistance in the form of loan/share capital to co-operative societies undertaking activities of tourism, hospitality, transport, generation and distribution of power by new, non-conventional and renewable sources of energy and rural housing programmes under NCDC Scheme - Approved- Orders issued.

Co-operation (B) Department

G.O (Rt) No:68/2011/Co-op Dated, Thiruvananthapuram,03.02.2011

Read:- 1. Letter No MT(3)38779/10 dated 31.12.2010 from the Registrar of Co-operative Societies, Thiruvananthapuram
2. Decision of the Working Group meeting held on 01.01.2011.

ORDER

As per the letters read above RCS has forwarded the draft rules/guidelines for providing financial assistance in the form of loan/share capital to co-operative societies undertaking activities of tourism, hospitality, transport, generation and distribution of power by new, non-conventional and renewable sources of energy and rural housing programmes under NCDC Scheme. The Working Group meeting held on 01.01.2011 has resolved to constitute a High Power Committee with the representatives of concerned departments in Government. The Committee shall examine the proposal and place the same before the Working Group. On the basis of the decision of the Working Group, Government may recommend the proposals to the NCDC.

Government have examined the matter in detail, and are pleased to approved the rules/guidelines for financial assistance in the form of loan/share capital to co-operative societies undertaking activities of tourism, hospitality, transport generation and distribution of power by new, non-conventional and renewable sources of energy and rural housing programmes under NCDC Scheme appended to this order.

(By order of the Governor)

S.VIJAYAKUMAR
Additional Secretary to Government

To

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

Forwarded/By order

Section Officer

2

1

RULES FOR GRANTING FINANCIAL ASSISTANCE TO CO-OPERATIVE SOCIETIES UNDERTAKING THE ACTIVITIES OF TOURISM, HOSPITALITY, TRANSPORT, GENERATION AND DISTRIBUTION OF POWER BY NEW, NON-CONVENTIONAL & RENEWABLE SOURCES OF ENERGY AND RURAL HOUSING PROGRAMMES IN THE FORM OF LOAN/SHARE CAPITAL UNDER NATIONAL CO-OPERATIVE DEVELOPMENT CORPORATION(NCDC) SCHEME.

1. The rules may be called "The rules for granting financial assistance to co-operative societies undertaking the activities of tourism, hospitality, transport, generation and distribution of power by new, non-conventional & renewable sources of energy and rural housing programmes, in the form of loan/share capital under National Co-operative Development Corporation (NCDC) scheme."
2. Assistance under these rules shall be given to co-operative societies selected by the Registrar of Co-operative Societies.
3. **Eligibility Criteria**

   The Society applying for the assistance under these rules shall satisfy the following conditions.

   a) The Society shall be registered or deemed to be registered under the Kerala Co-operative Societies Act,1969
   b) The societies undertaking the activities of Tourism, Hospitality, Transport, generation and distribution of power by New, Non-conventional & renewable sources of energy and Rural housing programmes shall be eligible under the scheme.
   c) In the case of assistance for rural housing programme, the society should be in possession of land. Rural housing programme should be in rural areas. Areas which are outside the Municipal limits shall be regarded as rural areas.
   d) The Society should have at least 100 members.
   e) The Society should have a minimum paid up share capital of Rs. 1,00,000/- from among its members other than Government.
   f) The byelaws of the society should have provisions for the state participation in the share capital of the society and to borrow funds from the Government/NCDC in accordance with the provisions contained in these rules.
   g) The society shall be managed by an elected committee.
   h) The society shall have a full time paid secretary/chief executive.
   i) The Society should be free from corrupt practices.

All the above conditions should be satisfied by the society for becoming eligible for financial assistance under this scheme.

Section officer

In addition to the above conditions, the Co-operative Societies should fulfill the following criteria for financial assistance under direct funding.

a) The Society should have been in operation for not less than 3 years.
b) The Society should have positive net worth not less than 100% paid up share capital i.e. there should be no erosion in the paid up share capital.
c) The Society should not have incurred any cash loss during last three years and there should be net profit in at least two of previous three years.
d) The Debt equity ratio shall normally be 65:35 depending upon the economic viability of the project.

4. **Purposes**

The assistance shall be extended for the following purposes:-

i. Creation, Modernisation, expansion, repairs, renovation etc. of infrastructural facilities relating to Tourism, Hospitality, Transport, generation and distribution of electricity by New, Non- conventional and renewable sources of energy and Rural Housing.

ii. Margin money for raising working capital required for day to day operations of above services other than rural housing.

iii. Working Capital assistance to meet requirement for day to day operations of the above services other than rural housing.

(The illustrative list of activities covered under the scheme is enclosed as Annexure – 1.)

5. **Procedure for Application**

Application in quadruplicate along with financial statements should be furnished to the Joint Registrar (General) of the District concerned, accompanied by the following:-

a) Resolution of the Board of Directors requesting for financial assistance from NCDC.
b) Undertaking of the Board of Directors to abide by the conditions of these rules and the instructions issued by the Registrar of Co-operative Societies /Government from time to time and to execute the agreement in the prescribed form.
c) A detailed project report for availing the assistance.
d) Financial statements of the society for the past three years and copies of latest Audit Certificate and tentative Balance Sheet for the periods, if any, in which the audit of accounts are not completed, verified and duly certified by the Assistant Registrar of the Taluk.
e) Board resolution agreeing to maintain the ratio 1:50 between the share amounts collected from among members and Government contribution.
f) No dues certificate by the Joint Registrar (General) of the district concerned stating that there is no amount due to the Government by the society, in any form.

Section officer

g) Certificate from the Joint Registrar (General) of the district concerned to the effect that the society is free from corrupt practices.

The Joint Registrar (General) of the district will appraise the project report and forward to the Registrar of Co-operative Societies with his clear recommendation. The eligibility of the society for assistance and its repayment capacity with full particulars of financial positions shall be reported by the Joint Registrar while recommending the application. The Registrar of Co-operative Societies may after enquiry as deems fit and satisfying himself shall recommend the proposal to the NCDC through State Government.

6. **Pattern of funding**

(i). Margin Money for services other than Rural Housing

NCDC to State Government	State Government to Society
Loan for availing Bank credit 100%	Loan - 60 % Share - 40 %

(ii). Working Capital for services other than Rural Housing

NCDC to State Government	State Government to Society
Loan as per requirement	Loan - 100 %

(iii). Infrastructure Creation (Project facilities)

(a). For services other than rural housing	
NCDC to State Government	**State Government to Society**
Loan - 90%	Loan - 50% Share Capital - 40%
	(Member's Contribution - 10%)

Section officer

(b). For rural housing	
NCDC to State Government	**State Government to Society**
Loan - 90%	Loan - 90%
	(Member's Contribution - 10%)

The Government/NCDC shall have the right to alter/modify the above proportions.

7. **Quantum of Assistance**

   A. **Share Capital:-** The Society shall be eligible for the Government Share Capital contribution to the extent of 50 times of the paid up share capital raised from among the members of the Society.

   B. **Loan:-** Loan amount shall be fixed by the Government, as per requirement, presented in the project report.

8. The Government shall be the authority competent to sanction the assistance to the society.

9. **Drawal of Assistance.** The society receiving the Government assistance under these rules shall execute an agreement in Form A for availing Share Capital Contribution and a mortgage deed in Form B for availing loan portion. The assistance sanctioned by the Government/NCDC shall be drawn and disbursed by the Registrar of Co-operative Societies after obtaining agreement, share certificate, receipt and after satisfying that the institution concerned has fulfilled all the conditions.. The society shall not withdraw the amount or part thereof, without prior permission of the Registrar of Co-operative Societies.

10. **Utilization:** The assistance provided under these rules shall be utilised only for the purpose for which it was sanctioned, within a period of 12 months from the date of drawal of assistance. The Registrar of Co-operative Societies shall be competent to extend the period of utilization for 6 months on genuine grounds. If the society fails to utilise the amount within the sanctioned period, the entire assistance with interest as on date shall be refunded to Government in lump.

11. **Retirement of Share Capital.** The share capital contribution sanctioned to a society under these rules shall be repaid in 10 equal annual instalments commencing from the 2nd anniversary of the deemed date of drawal of the amount from the treasury.

12. **Period, Moratorium & Repayment of Loan.** The loan amount should be repaid with interest normally within a period of 8 years or within a period as may n fixed by

Section Officer

Government/NCDC with moratorium period of 1-2 years in repayment of loan depending upon the project gestation period. There shall be no moratorium in payment of interest. Margin money loan shall be for a period of 5 years without any moratorium in repayment of loan. Period of working capital loan shall be 1-2 years without any moratorium in repayment of loan. The loan shall be repaid in annual instalments and the first installment of repayment of loan falls due in the first anniversary of the deemed date of drawal of the amount from the treasury. Rate of interest prevailing at the time of disbursement of funds shall be applicable.

13. The Society shall not sell, transfer or otherwise dispose off or create any encumbrance on the movable or immovable assets acquired out of the financial assistance availed under the scheme without the consent of the Government.

14. The society shall insure the assets acquired out of the financial assistance availed under the scheme, against loss or damage, with State Insurance department or any Insurance Company for a sum not less than the cost of the asset and the policy be assigned in favour of Government. The Society shall punctually pay the premium for effecting and keeping up such policy or policies of insurance till the entire assistance is repaid.

15. 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, repayment of loan and interest thereon and furnish the utilization certificate of assistance to the Accountant General, Kerala in due course, under intimation to Registrar of Co-operative Societies. The Registrar of Co-operative Societies shall be competent to issue any directions that he may consider necessary, for the proper utilization of the assistance.

16. The President, the Board of Directors and the Secretary/Chief executive of the Society shall be jointly and severally responsible for the proper utilization of the assistance received under the scheme.

17. The dividend on the share capital contribution of Government shall be remitted in the Treasury within one month after the declaration of dividend by the General Body of the Society.

18. The society shall not refund any share to its members, which will affect the 1:50 ratio between the members' contribution and the Government contribution.

19. **Consequence of default of repayment:** In case of breach of all or any of the terms and conditions contained in these rules the entire amount shall become repayable to Government in lump. Penal interest @ 2.5% per annum will also be payable on any belated payment of share capital. If the society makes default in payment of instalments of loan, society has to pay penal interest@2.5% over the normal rate of interest or repay the assistance in lump with interest and penal interest fixed by the Government.

20. All sums found due to Government shall be recoverable from the society and its assets both movable and immovable under the provisions of the Revenue

Section officer.

Recovery Act for the time being in force as though such sums are arrears of revenue and in such other manner the Government may deem fit.

21. Notwithstanding anything contained in the byelaws of the society, or any agreement what so ever, it shall be open to the Government to withdraw at any time the whole or any portion of the share in which case of the society shall be liable to refund to Government the value of the share so ordered to be withdrawn.

22. The assets acquired from of the financial assistance availed under the scheme shall become the property of the Government till the loan/share capital is fully repaid to Government.

23. The Government may by an order for reasons to be recorded in writing, exempt any society from any of the provisions of these rules.

24. <u>Assistance for purchase of vehicle/equipment</u>

In the case of purchase of vehicle/equipment under the scheme, the following conditions shall also be satisfied by the societies.

a) The vehicle/equipment shall be purchased from approved dealers after inviting quotation/tenders. The body building of vehicles shall also be done after inviting quotation/tenders.
b) The society shall purchase the vehicle/equipment within 90 days from the date of drawal of the amount and furnish utilization certificate to the authority concerned.
c) The society within 30 days of the purchase of vehicle/equipment, shall execute a mortgage deed in Form C in favour of the Government mortgaging/hypothecating the vehicle/equipment as security in addition to share certificate and agreement.
d) The vehicle together with the body built thereon shall remain the property of the Government until the entire share capital/loan with interest is repaid by the borrower to the Government.
e) The vehicle/equipment purchased shall be got insured by the borrower.

Section Officer.

ANNEXURE - 1

Illustrative list of activities covered under the Scheme

Tourism and Hospitality

1. Setting up, modernization/renovation, expansion of small and medium size Hotels, Guest Houses, Restaurants, Canteens, Rest rooms, Wash rooms, Public utilities, Eco-friendly parks, Recreation facilities, and other tourism related infrastructural facilities etc.

Transport

2. Purchase of Commercial Transport vehicles such as Bus, Car, Lorry/Truck, Boat, Ship, etc. for transport of passengers & goods and setting up. Modernization/renovation, expansion of transport related infrastructural facilities like workshop, fuel station, parking/docking facilities, stands, etc.

Electricity generation by New/Non-conventional/renewable energy sources.

3. Setting up, modernization/renovation and expansion of units for generation of electricity be New, Non-conventional & renewable energy sources such as windmills, mini hydel projects, solar, bio-mass, co-generation etc. and distribution and transmission of power.

Rural Housing

4. Construction of Residential housing units in rural areas with carpet area not exceeding 1200 Sq.Ft. per house/flat/apartment; Hostels, Community Centers and development of related infrastructural facilities such as housing plots, site development, roads, parks, sewerage & drainage system, water supply, etc. Areas which are outside the Municipal limits shall be regarded as rural areas.

Section Officer

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FORM – A

AGREEMENT

THIS AGREEMENT is executed on this the day ....day of...Two Thousand...............................BETWEEN (here enter the name of the society) a society registered under the Kerala Co-operative Societies Act, 1969 and having its registered office at ....(herein after referred to as " the society") of the one part and the GOVERNOR OF KERALA (herein after referred to as "the Government") of the other part;

WHEREAS on the application of the society under the rules for granting financial assistance to co-operative societies undertaking the activities of tourism, hospitality, transport, generation and distribution of power by new, non-conventional & renewable sources of energy and rural housing programmes, in the form of loan/share capital under National Co-operative Development Corporation (NCDC) scheme (herein after called "the rules" which shall form part of this agreement as in incorporated herein) for assistance, the Government have in G.O. No.................................dated....................(hereinafter called the "said order") which shall form part of this agreement as if incorporated herein sanctioned the payment if an amount of Rs....................... as Share Capital Contribution and Loan to the said society subject to the terms and conditions contained in the Rules, said order and these agreement hereinafter appearing to which the society has also agreed

NOW THESE PRESENT WITNESSES AND IT IS HEREBY AGREED AS FOLLOWS:-

1. In Consideration of payment of Rs................(Rupees.. Only) the receipt of which the society hereby accepts and acknowledges and the society hereby agrees that the amount shall be utilized only for the e purpose for which it was sanctioned and for no other purpose. The unutilized portion, if any, of the amount paid shall be surrendered to the Government within the time fixed by the Registrar/Joint Registrar of Co-operative Societies.

2. The society shall repay the share capital contribution amount of Rs.............. in ten equal annual instalments of Rs.................(Rupees....................................Only) the first instalment being repayable on the date of expiry of the 2nd anniversary year from the date on which the share capital contribution was disbursed to the society and the subsequent instalment on the corresponding dates of the succeeding years.

3. In case of default in payment of any instalment of the amount in accordance with clause(2) above, the society shall pay penal interest at the rate of 2.50% per annum for the defaulted instalments calculated on the amount defaulted from the last date of default till the date of repayment.

Section Officer

4. The society shall issue printed share certificate in the name of the Governor of Kerala to the Registrar of Co-operative Societies within one month from the date of receipt of the share capital contribution.

5. Notwithstanding anything herein contained or in the rules or in the said order or in the bye law of the society it shall be open to the Government to withdraw at any time without stating any reason whatsoever the whole of any portion of the Government share capital contribution and the society shall there upon forthwith refund the amount so withdrawn in a lump.

6. (a). The dividend not less than 5% every year(on the shares allotted to Government) shall be paid to the Government by remittance in the nearest Government Treasury within one month after the division of profit for each year is approved by the General Body of the society.

6. (b). The dividend shall be payable on the share capital contribution made by the Government in the society from time to time after deducting the repayment made by the society.

7. 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 society shall on demand pay the entire amount due to the Government in a lump at once.

8. If any dispute arises out of or under of touching this agreement the matter shall be referred to the Government and the decision of the Government shall be final and legally binding on the society.

9. All sums found due to the Government under or by virtue of this agreement shall be recoverable from the society and its properties both movable and immovable under the provisions of the Revenue Recovery Act for the time being in force as though such are arrears of land revenue and in any other manner as the Government may deem fit.

10. The society hereby declares that the executants hereof for and on behalf of the society has got full power and authority to execute this agreement for and on behalf of the society as per resolution number .... duly passed.

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

Section Officer

IN WITNESS WHEREOF Shri.. for and on behalf of the society and Shri............................. on behalf of the Governor of Kerala have hereunto(set their hands and seal of the society has hereunto) been fixed the day, month and year first above written.

Signed by Shri.. for and on behalf of the society.

In presence of Witness:

1.

2.

Signed by Shri..............................(here enter name and designation) for and on behalf of the Governor of Kerala.

In presence of Witness:

1.

2.

Section officer

FORM – B

THIS DEED OF MORTGAGE made this the ....day of .... by the ....Society Ltd. No. .... a society registered under Kerala Co-operative Societies Act,1969 and having its registered office at (herein after called "The Mortgagor" in favour of the Governor of Kerala(hereinafter called the "Government").

WHEREAS the Mortgagor has applied for financial assistance of Rs...........................as loan and Rs.................... as share capital under the rules for granting financial assistance to co-operative societies undertaking the activities of tourism, hospitality, transport, generation and distribution of power by new, non-conventional & renewable sources of energy and rural housing programmes under National Co-operative Development Corporation (NCDC) scheme (herein after referred to as the "Rule")

WHEREAS the Government have in order dated ....(hereinafter referred as "The order") and sanctioned the payment of a sum of Rs.......................(Rupees....................Only) by way of loan/share capital contribution for the purpose of ....subject to the terms and conditions contained in the order and the Rules, copies of which are hereto annexed and which shall form part of this deed ,as if they are incorporated herein subject to the terms and conditions herein after appearing:-

NOW THIS PRESENTS WITNESS AS FOLLOWS:-

1. In consideration of the loan/share capital of Rs.........................(Rupees.. Only) paid by the Government to the Mortgagor(the receipt of which the Mortgagor doth hereby admit and acknowledge) the Mortgagor doth hereby transfer by way of simple mortgage to the Government the leasehold right of the Mortgagor in respect of the property described b in the schedule hereunder written along with the building to be constructed thereon and all other improvements affected thereon from time to time to the intend that the said loan amount, interest and penal interest, if any, in accordance with the Rules and the said orders and , as securities for the due fulfillment by the Mortgagor of the terms and conditions herein contained and those contained in the Rules and in the order, that the Government shall have first charge over the same.

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

3. The mortgage shall not during the continuance of this security, create any mortgage, lien or charge by way of hypothecation, pledge or otherwise create any encumbrance of any kind whatsoever in respect of right properties described in the schedule hereto and or let or lease of part with possession of the same and the same shall remain and continue to remain free from any encumbrance or liability whatsoever.

Section Officer

4. The Mortgagor doth hereby agree that the amount of loan/share capital shall not be utilized for any other purpose other than that for which it is granted.

5. The Mortgagor shall start the project for which the loan granted within three months form the date of receipt of the assistance and shall execute the work in accordance with the directions of the officer authorised in this behalf by the Government and shall complete the project within the time limit specified in the order sanctioning the loan.

6. The Mortgagor shall maintain a register and render correct account of expenditure incurred out of the loan. The accounts shall be open to inspection by such officers authorized in this behalf by the Government.

7. The Mortgagor shall refund to the Government the excess amount over the actual cost of the project within a month.

8. The loan shall bear interest at the rate fixed by the NCDC/Government.

9. The loan amount should be repaid with interest in----- instalments with moratorium period of ----- years in repayment of loan. The first instalment shall become due on the date of expiry of second year from the date of drawal of the loan amount and thereafter the subsequent instalments shall become due on the corresponding dates of the succeeding years until the loan is fully repaid. The interest due on the loan amount outstanding on the date of payment of an instalment shall be paid along with that instalment.

10. If the instalment or principal or interest is not paid on the due date, of penal interest at the rate of 2.50% in addition to the usual rate shall be paid on such amount as are not paid on the due dates.

11. The Mortgagor shall insure the assets acquired out of the financial assistance availed under the scheme, against loss or damage, with State Insurance department or any Insurance Company for a sum not less than the cost of the asset and the policy be assigned in favour of Government. The Mortgagor shall not dispose of or lease or hire out the assets without the prior sanction of the Government.

12. In case the Mortgagor fails to comply with all or any of the terms and conditions on which the said assistance 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 said loan or any part thereof or any interest thereon or any part thereof or commit breach of all or any of the terms and conditions herein contained or in the Rules or in the order, then and in any such case the Government shall be competent to recover the entire amount outstanding, with interest and penal interest in a lump at once and the Government shall have power to proceed against the security properties to recover such sum and the Government shall have all the powers vested in a mortgage under Transfer of Property Act.
13. If the Mortgagor shall duly comply with all the terms and conditions of these present and repay the amount in full with interest the Government shall there upon

Section officer

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at the request and cost of the Mortgagor relinquish all his right and interest in the security properties and the --------------- and --------thereon to the Mortgagor.

14. All sums found due to the government under or by virtue of these presents shall be recoverable form the mortgagor and the properties mentioned and described in the schedule here underwritten as if they were arrears of land revenue under the provisions of the Revenue Recovery Act for the time being in force or in any other manner as the Government may deem fit.

15. In case any doubt or dispute arises under or by virtue of this deed the decision of the Government thereto shall be final and legally binding on the Mortgagor.

16. This deed has validity from .... day of ....

IN WITNESS WHEREOF Shri. ...., for and on behalf of the Mortgagor have hereunto set their hands the day and year first above written.

SCHEDULE ABOVE REFERRED TO

Registration District	:
Registration Sub District	:
Taluk	:
Village	:
Firka	:
Desom	:
Corporation	:
Plot No.	:
Tenure	:
Survey and Sub Division Nos.	:
Extent	:

Section Officer

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BOUNDARIES

East :

South :

West :

North :

Signed by Shri.........................(Secretary/Managing Director)

Signed by Shri.........................(President)

Signed by Shri.........................(Board Member)

Signed by Shri.........................(Board Member)

For and behalf of the Mortgagor in the presence of witness

1. Shri..............

2. Shri..............

Signed by Shri......................(Name and designation)

For and on behalf of the Governor of Kerala in the presence of witness

1. Shri............

2. Shri............

Section officer

FORM – C

This mortgage deed is made on this the……………. Day of Two Thousand……………………………………… by the ………………………………………………Society Ltd No……, a society registered under the ……………………………………Act and having its registered office at…………..(herein after referred to as the society), in favour of the Governor of Kerala(herein after referred to as the Government).

Whereas by an agreement executed between the same parties on……………………..(herein after referred to as "the Agreement") the Government have advanced to the Mortgagor of loans of Rs……………….. under the under the rules for granting financial assistance to co-operative societies undertaking the activities of tourism, hospitality, transport, generation and distribution of power by new, non-conventional & renewable sources of energy and rural housing programmes under National Co-operative Development Corporation (NCDC) scheme (herein after referred to as the "the said rules") which expression shall include any amendments thereof or additions thereto for the time being in force for the purchase of vehicle and for body building, subject to the conditions that the society will within two weeks from the date of purchase of the vehicle execute a document hypothecating the said vehicle to the Government as security for the loan amount together with interest and costs, if any, and for the due fulfillment of the terms and conditions continued therein.

Now this deed witnesses as follows:-

1. In pursuance of the said agreement and in consideration of the loan of Rs…………….(Rs……………………………….Only) paid by the Government to the society, the society doth hereby hypothecate the vehicle described in the schedule here to the intent that vehicle shall remain and be charged as security for the repayment to the Government of the loan amount with interest and costs, if any, in accordance with the provisions contained in the said agreement and as security for the due fulfillment by the society of the terms and conditions contained in the said agreement and those herein contained.

2. The society doth hereby agree that it will abide by the terms and conditions contained in the said agreement and in the said rule incorporated herein.

3. The society shall not during the continuance of this security create any mortgage or of charge by way of hypothecation, pledge or otherwise part with possession of the same until the loan amount is repaid in full to the Government.

4. The loan shall be repaid in ------ annual instalments in the manner prescribed in the said rules.

5. The loan shall bear interest at the rate of ……per annum. Interest accrued till the date of repayment of each instalment of loan shall be paid along with that instalment.

Section Officer

6. If any instalment is not paid on the due date an additional interest at the rate of 2.5% per annum in addition to the usual rate of interest shall be paid calculated from the date of default to the date of actual payment.

7. The society shall keep the vehicle in good condition and shall carry out necessary repairs at its own cost until the loan amount is fully repaid.

8. The society shall keep the vehicle insured against damage by fire, theft or accident to the satisfaction of the Registrar of Co-operative Societies for the full value thereof with State Insurance department or any Insurance Company within one month from the date of purchase of the vehicle as prescribed in the said rules.

9. The society shall furnish such information and such returns as the Registrar may call for from time to time.

10. In case the society fails to comply with all or any of the terms on which the loan was advanced or commits breach of all or any of the terms and conditions herein contained then and in any such case, the Government shall have power to seize the vehicle hereby mortgaged to sell the same and to release the loan amount with interest and costs. And for this purpose the Government shall have all the powers vested in a mortgage under section 69 and 69 A of the Transfer of Property Act in respect of power to sell without the intervention of the Court and in the matter of appointment of receiver etc.

The society hereby further agree that without prejudice 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 society and its properties movable and immovable as if they are of land revenue under the provisions of the Revenue Recovery Act for the time being in force and in any other manner as the Government may deem fit.

In witness whereof Shri.. Shri.. For and behalf of the society have hereunto set their hands the day and year first above written.

SCHEDULE
(H.E. details)

Signed by Shri..

Signed by Shri..

In the presence of witness

1.

2.

Section officer.

000965

GOVERNMENT OF KERALA

Abstract

Co-operation Department – Rules for providing financial assistance by the way of Subsidy, Share and Loan to the NCDC assisted Co-operative Societies for Agro processing activities- - Approved- Orders issued.

Co-operation (B) Department

G.O (Rt) No: 804/2010/Co-op Dated, Thiruvananthapuram,27.12.2010

Read :- 1. Letter No M(5)39347/10 dated12.10.2010 and 08.12.2010 from the Registrar of Co-operative Societies, Thiruvananthapuram

2. Decision of the Working Group meeting held on 09.12.2010.

ORDER

As per the letters read above the Registrar of Co-operative Societies has forwarded the draft rules/guidelines for providing financial assistance by way of Subsidy, Share and Loan to the NCDC assisted Co-operative Societies for Agro processing activities. The Working Group meeting held on 09.12.2010 has resolved to approve the rules/guidelines.

Government have examined the matter in detail, and are pleased to approve the rules/guidelines for providing financial assistance by the way of Subsidy, Share and Loan to the NCDC assisted Co-operative Societies for Agro processing activities .

The approved rules are appended with the order.

(By order of the Governor)
S.VIJAYAKUMAR
Additional Secretary to Government

To

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

Forwarded/By Order

Section Officer

RULES FOR PROVIDING FINANCIAL ASSISTANCE (LOAN, SHARE CAPITAL & SUBSIDY) TO THE NCDC ASSISTED CO-OPERATIVE SOCIETIES FOR AGROPROCESSING ACTIVITIES

1. These rules are called the Rules for the payment of the financial assistance (Loan, share and subsidy) to NCDC assisted co-operatives for agro processing activities)

2. **ELIGIBILITY**

All types of co-operative societies coming under the administrative control of Registrar of co-operative Societies having minimum of 100 members which shall have scope and infrastructure and bye law provision for conducting agro processing activities and possess own land will be eligible for financial assistance from Government for starting new agro processing units or for revitalization of existing processing units.

3. **PATTERN OF FUNDING**

(i) 50% of the block cost of the project will be provided as loan from NCDC.

(ii) 40% of the block cost or the project cost will be provided by the Government in which 30% will be share capital and 10% will be subsidy.

(iii) The balance 10% shall be contributed by the society from its own fund

4. **APPLICATION PROCEDURE**

The application for the assistance shall be forwarded to the Registrar of Co-operative Societies through the concerned Joint Registrar in Form 'A' supported by the following documents.

(a) A Scheme/Project report for availing the financial assistance

(b) Resolution of Board of Directors requesting for the financial assistance

(c) Resolution of the Board of Directors agreeing to abide the rules and authorizing the persons to receive the amount and to execute the agreement and mortgage deed

(d) Certificate from Joint Registrar stating that the Society has no dues to Government in any form and Non-corruption certificate from the concerned Joint Registrar.

(e) Copy of the latest audited balance sheet and tentative financial statements as on the date of application.

The Joint Registrar will forward the proposal to Registrar of Co-operative Societies with recommendation and the Registrar of Co-operative Societies shall recommend the proposal to Government.

5. **TERMS & CONDITIONS**

(a) **Loan**

(i) Loan shall be released in two installments after getting administrative sanction from the Government.

(ii) The first installment of the loan not exceeding 50% of the loan sanctioned may be released subject to the condition that the society possesses a site and has deposited at least 50% of the society's contribution of the block cost for the project in Bank account.

(iii) The second instalment shall be released after satisfying the progress of the implementation of the project and after producing the utilization certificate of the 1st installment.

(iv) The loan shall bear interest at the rate fixed by the Government/NCDC time to time on the basis of the rate at which Government bound to pay to NCDC.

(v) Unless and otherwise specified in the order of sanctioning the loan, the period of the repayment of principal of the loan shall be 10 years. The repayment shall be made in 10 equal installments commencing from the 2nd anniversary of the date of release of the first installment. The interest shall be remitted along with the principal amount.

(vii) The Society shall maintain separate accounts showing the details of the receipt, payment and utilization of the loan.

(b) **Share & subsidy**

(i) The share capital contribution and subsidy shall be released in two equal instalments along with the loan installment.

(ii) The share capital ratio between the members and Government shall maintain as 1: 20. The Society assisted under the scheme shall refund the members share only after getting the prior permission of the Joint Registrar.

(iii) The minimum paid up share capital shall be 1, 00,000/- and the number of the members shall be at least 100.

(iv) The Share capital contribution under the scheme shall be repaid in ten equal annual installments. the first installment falling due on the 3^{rd} anniversary of the date of the withdrawal of the first instalment. ✓

(v) The society shall remit into Government Treasury within one month from the date of declaration of dividend by the General Body of the society, the dividend, on the shares held by Government in the Society, from time to time.

(c) The society seeking the assistance should furnish viable project report on the proposed project or activity to be implemented to the satisfaction of the Registrar of Co-operative Societies.

(d) The Society should have positive net worth.

(e) The society shall complete the unit and claim the second instalment of the financial assistance within one year from the date of the withdrawal of the 1^{st} installment of the assistance. The Government/Registrar may on valid grounds extend time limit fixed above to such period as may found necessary.

(f) If the society does not comply with any of the provision of the Rules, or if the funds are kept unutilized within the time limit or utilized for any other purpose than those for which it is intended the whole contribution will become recoverable in lump and the Registrar of Co-operative Societies will be competent to order recovery of the assistance under the provisions of R.R.Act for the time being in force as if there are arrears of land revenues.

(g) In the event of any default in repayment of annual instalment the society is liable to pay penal interest at the rate of 2.5% on the defaulted installments

(h) The Society shall not undertake any new project or expansions of the present project without prior approval of the state government and NCDC

(i) The RCS shall be competent to issue any directions that he may consider necessary for the proper utilization of the assistance and such orders shall be carried out without delay.

6. The Society shall execute a mortgage deed in Form "C" appended, in favour of Governor of Kerala, as security of the loan sanctioned before it claims release of the 1^{st} installment of the loan.

7. The Societies receiving the assistance by way of share and subsidy under these rules shall execute an Agreement in Form B.

8. The assistance sanctioned by NCDC Government shall be drawn and disbursed by the Registrar of Co-operatives Societies after obtaining agreement in form B and mortgage deed in Form C, share certificate. Receipt and after satisfying that the institution concerned has fulfilled all the conditions.
9. The Society shall not withdraw the assistance without the prior permission of the Registrar of Co-operative Societies.
10. The Society shall not sell, transfer or otherwise dispose off or create any encumbrances on the movable or immovable assets purchased from the financial assistance availed under the scheme without the consent of government.
11. The President, Board of Directors and Managing Director/Secretary of the Society shall be jointly and severally liable for the proper utilization of the assistance.
12. The agreement, Mortgage deed shall be kept under the safe custody of the Registrar of Co-operative Societies or any other officer authorised for this purpose.
13. The Joint Registrar (General) concerned will maintain DCB register under the scheme and shall watch the utilization of assistance, retirement of share capital contribution, repayment of loan and interest thereon and furnish the utilization certificate to the Accountant General in due course through the Registrar of Co-operative Societies
14. Government shall be the authority to amend or relax any of the provisions contained in these rules.

Section officer.

DIRECTOR

DIRECTOR DIRECTOR

M.K. VIPINA
General Manager I/C
The North Malabar District
Co.operative Supply & Marketing Society Ltd.