

PACS - Share (Rule)

GOVERNMENT OF KERALA

Abstract

Co-Operation Department-Scheme for the grant of Share Capital Contribution to Primary Agricultural Credit Societies under State Plan Scheme-Rules approved-
Orders issued.

CO-OPERATION (L) DEPARTMENT

G.O.M.S. 105/97/Co-Op

Dated, Thiruvananthapuram, 14/08/97

Read:-Letter No. CP (5) 17881/97 dated: 10/06/97 From the Registrar of Co-Operative Societies.

ORDER

In the letter read above the Registrar of Co-Operative Societies has submitted a scheme for the payment of Share Capital Contribution to primary Agricultural Credit Societies not receiving assistance from NRC (LTO) Fund of NABARD. Government have examined the matter in detail and are pleased to approve the scheme. The Rules for the payment of Share Capital Contribution to the Primary Agricultural Credit Societies / Farmers Service Co-Operative Banks along with the application form and agreement from area appended to this order.

BY ORDER OF THE GOVERNOR

SECRETARY TO GOVERNMENT.

To,

The Registrar of Co-Operative Societies, Thiruvananthapuram,

All the District / Joint Registrars

The Accountant General (A & E) / Audit (This issued with the concurrence of Finance Department.

The Finance Department.

(Vide u.7 No.55350/AWCI/97/Fin. Dated 28/07/97)

Stock File / Office Copy.

Forwarded/ By Order,

s/d

SECTION OFFICER,

Hd. file

(6)

RULES GOVERNING GOVERNMENT'S SHARE CAPITAL
CONTRIBUTION TO THE PRIMARY AGRICULTURAL CREDIT
SOCIETIES PAID BY SERVICE CO-OPERATIVE BANK.

These Rules may called the Rules for the payment of Share Capital Assistance to Primary Agricultural Credit Societies/ Farmers Service Co-Operative Banks under the State Plan Scheme.

1. Government may contribute^e to the Share Capital of Primary Agricultural Credit Societies / Farmers Service Co-Operative Bank^{which} with have not received Share Capital Contribution under the National Credit (Long Term Operation) Fund Scheme of NABARD under this State Plan Scheme.

The financial Support under this scheme is for the improved agricultural operation of Primary Agricultural Credit Societies / Farmers Service Co-Operative Bank.

2. In order ^{to} of avail of the Assistance under this scheme, Primary Agricultural Credit Society/ Farmers Service Co-Operative Bank should satisfy the following conditions.

(I). The Society should not have applied for assistan^{ce}t from the National-Rural Credit (Long Term Operation) Fund Scheme, when applying for Assistance under this Scheme.

(II). The Society should have a minimum membership of 4000. 11

(III). The Society should have a minimum paid up share capital of Rs.1,00,000/= from individual members. 1

(IV). The Society should not have overlapping with any other similar type of societies.

(V). There should be an adequate provision in the bye-laws for state participation in the Share Capital of the Society.

(VI). The Society should produce^d Share Certificate in respect of Share Capital Assistance if any already received.

(VII). The Society should have a full-time qualified paid Secretary/Managing Director.

(VIII). The audit classification should be A, B or C.

(IX). Overdue should not be more than 65% of the demand for the previous years.

(X). The Society should have an annual loan disburse^{ment} of not less than Rs. 10 Lakhs during the year.

3. The Registrar of Co-Operative Societies shall be competent to relax the conditions stipulated in Rule 2 above in deserving cases.

4. Preference will be given to the FACS/FSCI which have not yet received the Financial Assistance by way of Share Capital from Long Term Operation Fund Scheme.

5. The maximum amount eligible under this scheme at a time will ^{be} 1 Lakh whereas the maximum amount of contribution to the Society under this scheme shall not exceed Rs.2 Lakhs. The contribution of Government under this scheme shall not exceed ~~of~~ the total paid up Share Capital of the Society.

6. The amount sanctioned under this scheme should be utilised for giving short-term agricultural loans to its members.

7. The application for Share Capital Contribution shall be forwarded to Registrar of Co-Operative Societies through the Joint Registrar concerned with his recommendation in the form appended to these Rules.

8. The application should be accompanied with the following resolutions and certificates.

(I) Resolution ~~to the office~~ that the Society shall adhere to such terms and conditions as Government/Registrar of Co-Operative Societies may prescribe from time to time.

(II) Resolution requesting for Government Share Capital Contribution.

(III) Certificate from the Joint Registrar to the effect that ^{there is} no Government dues.

(IV) Certificate from the Joint Registrar to the effect that the Society is free from corrupt practices.

9. The Registrar of Co-Operative Societies shall select the societies eligible for assistance under the scheme.

(I) The Joint Registrar of the District shall be the authority competent to sanction the assistance under this scheme to the societies selected by Registrar of Co-Operative Societies.

(II) The Share Capital Contribution under this scheme shall be retired in 10 annual equal installments, the first installment falling due on the 6th anniversary of the ~~drawal~~ ^{drawal} of this amount.

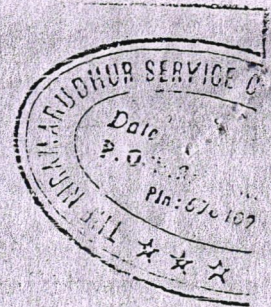
10. In the event of default in payment of annual installment in the society is liable to pay annual interest @ 2.5 of the defaulted installment and Registrar of Co-Operative Societies shall be competent to order summary recovery of entire balance amount under Government share as though they were arrears of land revenue under the provisions of Revenue Recovery Act for the time being in force.
11. The dividend accounting on the Share Capital Contribution by the Government under this scheme shall be remitted in the Treasury within one month after the declaration of the dividend by the General body of the society.
12. The Society receiving the assistance under this scheme shall within a period of two months issue the Share Certificates and ^{at which} ~~finish~~ a certificate to the effect that the amount has been brought in to the account.
13. The Society shall also ^{issue} ~~receive~~ within a period of Six months certificate to the effect that the amount has been utilize for the purpose for which it has been sanctioned. However in ~~deserving~~ cases Registrar of Co-operative Societies may extend the period.
14. The Joint Registrar of Co-Operative Societies shall be the authority to watch proper utilization of the assistance sanctioned and for obtaining the Share Certificate and watch the retirement of Share Capital Assistance.
15. The Societies receiving assistance under this scheme shall execute an agreement in the prescribe form.

FORM OF AGREEMENT

This agreement is executed ^{at} ~~the~~ between
(Here enter the name of the Society with the Register No.) The
Service Co-Operative Bank Ltd, No. a society registered under
the Kerala Co-Operative Societies Act 1969 and having its Registered Office at
..... (Herein after referred to as the Society) on the One part and the
Governor of Kerala (Herein after referred to as the Government) of the other part.

Whereas the Society has applied for the payment of a sum of Rs. 1,00,000/- (Rupees
One Lakh Only) by way of Share Capital Contribution to the Society under the rules
Governing Government contribution towards Share Capital Assistance to
PACS/FSCB under the State Plan Scheme (Herein after referred to as the Rules)

And whereas the request of the Society the Joint Registrar of Co-Operative Societies,
..... for and behalf of the Government of Kerala has sanctioned the payment
of a sum of Rs. 1,00,000/- (Rupees One Lakh Only) to the Society as per this order
No. (Herein after referred to as the said order a copy of which is attached here
to) Which shall form part of this agreement as incorporated herein subject to the
terms and conditions contained in the said order and in the rules those herein whether
appearing to which the society has also agreed.



Now These Presence Witness and is hereby agreed is follows:-

1. The Society shall utilized the Share Capital Contribution amount of Rs.1,00,000/- (Rupees One Lakh Only) for the purpose of strengthening to its share capital for availing finance for issue of loans to its members and it shall not be used for any other purpose
2. The Society shall return the Share Capital Contribution an amount of Rs.1,00,000/- in ten equal installments of Rs.10,000/- (Rupees Ten Thousand Only) the first installment falling due on the sixth anniversary of the date of drawal of the amount by the society and the subsequent installments on the corresponding date of the succeeding years.
3. In the case of default in payment of the installment of the amount in accordance with clause above, the society shall pay penalty interest @ 2 per annum for the defaulted installments.
4. The Society shall furnish to the Joint Registrar of Co-Operative Societies printed Share Certificates in favour of the Government within one month from the date of encashment of the amount.
5. Not with sanding anything containing in the rules ~~of~~ in the bye laws of the society it shall to the Government to withdraw at any time without stating any reason whatsoever the whole any portion of the Government contribution and the society shall be liable to refund the amount so withdrawn in a lump.
6. (a) The Society shall remit the dividend occurring on the Share Capital Contribution in to Government Treasury with in one month from the date of the dividend by the General body of the Society.

MEMORANDUM SERVICE CO-OP

6. (b) The dividend shall be payable the Share Capital Contribution made by the Government and then with the society from time to time after reducing the payments made by the society

7. The Society shall strictly abide by the terms and conditions containing the rules and in the said order and those here with contained

8. In the case of Society commits breach of one or any one of the terms and conditions herein contained or those contained in the rules and in the said order, the entire amount of Share Capital Contribution sanctioned shall be come payable in lump at once by the Society.

9. It is hereby declared that the execution of this agreement for and on behalf of the Society have the power and authority to do by Virtue of Resolution No.....dated.....(Here enter the authority).

10. All sums found/due to the Government under or by virtue of this agreement shall be recoverable from the society and its assets both movable and immovable under the provisions of the Revenue Recovery Act for the time through such sums are arrears of land revenue and in such other manner as the Government may deed fit.

In Witness where of Sri. (President) and Sri. Registrar (Secretary) for and on behalf of the Society and Sri..... of Co-Operative Societies for on behalf of the Governor of Kerala have here in to set their hands and the seal of the Society has hereunto opened affixed the day, month and year first above.

**APPLICATION FOR AVAILING FINANCIAL ASSISTANCE BY WAY OF
SHARE CAPITAL CONTRIBUTION UNDER STATE PLAN SCHEME**

a) Name and Postal Address of the
Society with Taluk and District
and Pin Code

b) Registration No. Date of
Registration

c) Area of operation of the
Society and whether its area
Overlapped by any other PACS

d) Board of Directors (Elected)
Administrator/Administrators
Administrative Committee

e) Total population within the area
of operation as per
Bye-Law

f) Membership & Paid up Share
Capital as on (31-03-2005)

- a) A Class
- b) B Class
- c) C Class (Nominal)
- d) D Class (Nominal)

Financial Position of the
Society

1. Paid up Share Capital

2. Borrowings

3. Deposits

4. Loan outstanding with Members
Short term Agriculture, Medium
Term Agriculture, Others

5. Fixed Assets Movable/Immovable

6. Accumulated Profit/Loss

(2)

CO-OP SERVICE

719 10

Audit Classification (As per the Latest Audit Certificate)

7. Amount of loan outstanding
 - (a) To District Co-operative Bank. (Borrowings)
 - (b) Demand under the above
 - (c) Percentage of Overdues
- (a) Amount of loan outstanding with Members (Asset)
- (b) Demand under the above
- (c) Percentage of overdues
8. If percentage of overdues is above 25, action taken by the society for reducing the overdues (A brief note is to be attached)
9. (a) Amount required for meeting the credit requirements of the members during current year
- (b) Credit limit sanctioned
 - 1) By the D.C.B
 - 2) Own funds available with the society for meeting the purpose
 - 3) Balance amount required
10. Amount of Share Capital Contribution applied for
11. (a) Whether there is any government dues pending to be remitted (including dividend as Government Share Capital)
- (b) Whether the society is free from Corrupt practices
- (c) Whether General Body Meeting has been convened and budget passed for the current years
If not specify the years up to which General body has been convened

(3)

(President) , Secretary of the ... Service Co-Operative Bank request that the Assistance by way of Share Capital Contribution applied for in the above application may please be sanctioned.

We further agree to abide by the terms and conditions of the assistance provided by the State Government and to furnish all such reports/information as may be prescribed by the Government/ Registrar of Co-Operative Societies.

Signature of President.

Board Members :

- 1) ...
- 2) ...

Secretary.