

GOVERNMENT OF KERALA

Abstract

Annual Plan 1979-80 Cooperation Scheme for payment of share capital contribution to Miscellaneous cooperative societies sanctioned Rules Approved.

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AGRICULTURE (COOP. SECT) DEPARTMENT  
G.O.Ms.433/79/AD Dated, Trivandrum 26.11.79.  
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Read:- 1. Correspondence resting with letter No.MS(1)23309/79 dated 17.10.79 from the Registrar of Co-operative Societies.

O R D E R.

Administrative sanction is accorded for the implementation of the scheme for payment of share capital contribution to Miscellaneous Cooperative Societies.

The expenditure on this account will be debited to the head of Account "498(k) 18" in the Budget and the expenditure will be limited to the current years plan allotment.

The Rules governing the payment of government share capital contribution to Miscellaneous Cooperative Societies are appended.

By Order of the Governor

S.Perumal Pillai  
Additional Secretary to Govt.

To

The Registrar of Cooperative Societies  
All Deputy Registrars of Cooperative Societies(CI)  
The Accountant General  
The Finance Department (This order issues with the concurrence of the working group on 'Cooperation')  
The Planning & Economic Affairs Department  
Stock file.

/True Copy/

**RULES FOR THE PAYMENT OF GOVERNMENT TO MISCELLANEOUS COOPERATIVE SOCIETIES**

1. These rules may be called the rules covering the payment of Government share capital contribution to the societies classified as miscellaneous societies under rule 15 of the Kerala Cooperative Societies,

2. The societies classified as miscellaneous cooperative societies under Rule 15 of the KCS Rules and selected by the Registrar to be brought under the annual plan schemes shall be eligible for share participation under these rules.

3. A society applying for share participation under these rules shall satisfy the following conditions:-

a. The society shall have atleast 50 persons as members of whom not less than 90% should be persons who are likely to be benefitted directly by the activities undertaken by the society and engaged in particular industries and occupations.

b. The byelaws of the society shall contain provisions for state participation in the share capital.

c. The byelaws shall provide for nomination of representatives of Government on the Board of directors of the society.

d. Not less than 2/3rd the number of members or the Board of directors of the society shall be actual workers of persons engaged in industry undertaken by the society.

4. The share capital contribution by the Government shall be for the purpose of providing margin money to the societies to raise institutional finance for the business undertaken by the society. The Registrar shall estimate the margin money necessary for the business in accordance with margin prescribed by the financing bank.

5. A society shall be eligible for Government share capital contribution to the extent of three times the paid up share capital raised from the members subject to the maximum of Rs.50,000/-

6. The application for Government contribution under these rules shall be forwarded to the Registrar in form 'A' appended to these rules through the Deputy Registrar concerned. The application shall be supported by a resolution of the committee of management of the society authorising to prefer such application and agreeing

- to maintain the ratio of 1:3 between the members share and the Government share capital, and also agreeing to abide by the Rules as amended from time to time.
7. The share capital contribution under these Rules may be sanctioned by the Registrar of Cooperative Societies.
8. The share capital contribution sanctioned shall be drawn by an officer of the society duly authorised for this purpose by the Board of Directors of the society on a bill (Form.No.TR42) duly countersigned by the Deputy Registrar of Cooperative Societies of the District concerned. The Deputy Registrar shall satisfy himself before countersigning the bill that the society has executed an agreement specified in Rule 15.
9. The amount so drawn shall be deposited in any Cooperative Bank in the name of the society and shall be utilised as margin money necessary for availing a financial accommodation from the Cooperative Financing agencies for the approved project. The amount shall be withdrawn in instalments as and when required with the specific permission of the Deputy Registrar.
10. The Deputy Registrar concerned shall obtain and forward to the Registrar a printed share certificate from the society in favour of the Governor of Andhra within one month from the date of drawl of the share capital.
11. The society should agree not to refund any share of members unless the ratio of share capital contribution by the members and the Government exceeds the ratio of 1:3 as long as Government continue to be a share holder of the society.
12. The society shall repay the amount contributed by Government under these Rules in ten annual equal instalments, the payment of these first instalment commencing from the sixth year of the date on which the contribution was drawn by the society and the payment of subsequent instalments on the corresponding dates of the succeeding years. A penal interest at ~~2%~~ 2 1/2% per annum shall be charged on the amounts defaulted for the period of default.

13. Notwithstanding anything contained in these Rules or the byelaws of the society it shall be open to Government or Registrar to withdraw at any time without stating any reason the whole or any portion of the Government shares in which case the society shall be liable to refund to Government the value of the shares so withdrawn.

14. The dividend if any of the share capital contribution by Government shall be remitted into the Government Treasury and the chalan receipt forwarded to the Registrar within one month after the declaration of dividend by the general body of the society.

15. The society receiving Government share capital contribution under these Rules shall execute an agreement in Form '8' appended to these Rules before drawing the amount so sanctioned. The agreement so executed shall be kept in the safe custody of the Registrar of Cooperative Societies.

16. The Government may by an order and for reasons to be recorded in writing exempt any society from any of the provisions of these Rules.