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GOVERNMENT OF KERALA
AGRICULTURE



Co-operation-Scheme for establishment development of the working of Educational Co-operative Societies-Sanctioned.

AGRICULTURE (CO-OP, ESTE) DEPARTMENT

C.O.No.116/82/A.

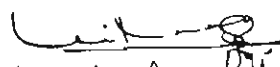
Dated, Trivandrum 24..3..1982.

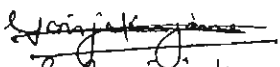
Read : Letter No.181 (P) 22089/81 Dt. 29..8..81 from the Registrar of Co-operative, Societies, Trivandrum.


ORDER

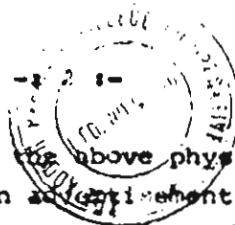
The Registrar of Co-operative Societies, in his letter read above, has forwarded a scheme for development of educational Co-operative Societies in the State. He has pointed out that Educational Societies have ample scope for providing employment opportunities to the educated unemployed paying salaries at reasonable rates. Further the Educational Societies are organized with the twin objectives of providing employment to the educated unemployed and educational facilities to a large number of students who pass out of the High Schools but do not obtain admission in College. The Registrar of Co-operative Societies will be able to provide education to the students by collecting fees at the reasonable rates.

2. The scheme envisages organization of Co-operative Educational Societies having area of operation, a Taluk and the Registered office at the Taluk Head Quarters. Graduates and post-graduates who are inclined to take up teaching as profession will be admitted as member of the Societies. The management of the Societies will be carried on by the Honourary Directors limiting the paid employees to the minimum so that the cost of establishment will not be high. For the establishment of a society, it requires heavy investments on land, buildings, furniture, laboratory library etc. In addition to the


President. R. Tharakan


Secretary. J. Jayaraman


Thomas K. M. Leela



resources to build up the above physical facilities, it has also to incur expenditure on advertisements, printing and stationery, T.A., office expenditure etc. Even though the societies will have income from the fees collected from the students, it will be difficult for them to find surplus to meet the expenditure of the sort mentioned above in the beginning. The registrar of Co-operative societies has, therefore, proposed that the societies may be given managerial subsidy towards the cost of the non-teaching staff for the first three years. It should be possible for societies to build up reputation and enroll a minimum number of 2000 students by the end of the third year and obtain fees to meet the cost of staff. According to the scheme the expenditure towards purchase of land, building, furniture etc. is to be raised from share capital contribution by members, share capital contribution by Government and as loans from Banks. In order to facilitate the working of the institution the Registrar of Co-operative Societies also proposed that, during the first 3 years, the interest payable to the financing bank may also be subsidised by Government.




3. Government have examined the scheme in all its aspects. They are pleased to approve the scheme for payment of share capital contribution and managerial subsidy to the educational co-operative Societies. The interest in respect of the loan taken by the Society from financing Bank of the society will also be subsidised by Government under the scheme.

4. Government contribution to share capital of the societies will be made subject to the following conditions.

1. (a) Societies with minimum paid up share capital of Rs. 15,000/- only may be selected under the scheme.


b) only graduates and post-graduates who will take up teaching as the profession will be admitted as members apart from the Government.

2. There shall be provision in the Bye-laws for Government participation in the management. A minimum of 2 persons may be nominated to the Board of Directors.

President R. Uamkishna Pillai, 
 



3. The maximum share capital that may be contributed by Government shall not exceed ~~Rs. 50 lakhs.~~
4. The application for share contribution in the prescribed form appended to these rules shall be accompanied by the following:-
 - (a) A resolution of the Board of Directors requesting for share participation by the Government.
 - (b) Undertaking by the Board of Directors to abide by the conditions of these Rules and to execute agreement in the form prescribed.
 - (c) An estimate of the investments necessary on land, buildings, laboratory equipments, library and furniture.
 - (d)
5. The Joint Registrar of the District will be competent to sanction share contribution. The Joint Registrar shall after making such enquiries as are necessary to satisfy himself that the estimated cost of the project is reasonable and the society has chances of functioning profitably sanction the share capital.
6. The amount sanctioned will be drawn by the society in Bills countersigned by the Joint Registrar.
7. The amount drawn from the Treasury shall be deposited in the District Co-operative Bank to be released according to the necessity with the prior permission of the Joint Registrar.
8. Share capital contribution shall be utilised within a period of one year from the date of drawal from the Treasury. If for any valid reasons the society is not able to utilise the amount within one year the Registrar may extend the period for another 6 months.
9. The share capital contribution shall be returned in 10 annual instalments, the repayment of the first instalment commencing from 5th Anniversary of the drawal of the amount from the Treasury. In a case of non-utilisation or mis-utilisation the whole amount shall be recoverable in a lump.

President, R. Unnikrishna Pillai, 
R. Unnikrishna Pillai

10. The society shall issue a share certificate in favor of the Governor of Kerala within a month of drawal of the shares.
11. The land, buildings and other assets of the society shall not be alienated or subjected to any encumbrance during the period the Government hold shares in the society.
12. The dividend, if any, declared on the shares held by the society shall be remitted immediately after dividend is declared in accordance with the instructions of the Joint Registrar.

5. Managerial subsidy will be given to this society on a tapering basis, 100% for the first year subject to a maximum of Rs. 20,00/-. During the second and third year the subsidy will be limited to 75% and 50% respectively. Managerial subsidy will be granted subject to the following conditions.

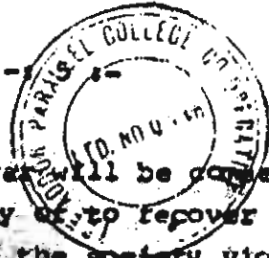
1. The subsidy will be payable for three consecutive years from the date of selection of the society by the Joint Registrar.
2. The appointment of the non-teaching staff shall be approved by the Joint Registrar.
3. The application for subsidy shall be made in the form appended to these rules supported by
 - a) Resolution of the Board requesting for managerial subsidy.
 - b) Resolution to the effect that the society will abide by these rules and instructions that the Joint Registrar issue.
 - c) Resolution to the effect that the subsidy shall be utilized for the purpose for which it is granted.
4. The Joint Registrar of the district will be competent to sanction the subsidy.
5. Subsidy will be claimed by the society quarterly in the bill for miscellaneous payment T.R. 42 duly countersigned by the Joint Registrar.

President: R. Unnikrishnan Pillai

Unit - 85

- 1) Thomas K. - *Thomas K.*
- 2) Leela Thanthappan - *Leela*

S. Srinivasan
Secretary S. Srinivasan



6. The Joint Registrar will be competent to stop further payment of subsidy or to recover subsidy already given if in his opinion the society violates any of the condition of the rules or refuses to comply with the instructions issued by the Joint Registrar.
7. The society will furnish certificate to the effect that the subsidy has been accounted correctly and utilised.
8. The Joint Registrar will furnish a utilisation certificate to the Accountant General under intimation to the Registrar of Co-operative Societies.
9. Any sum found irrecoverable shall be recovered under provisions of the Revenue Recovery Act.

6. Interest subsidy in respect of the loan taken by the society from the financing Bank will be granted to the societies subject to the conditions given below :

1. Societies availing institutional finance for capital investment on land, buildings, laboratory, equipments, library and furniture shall be eligible for interest subsidy.
2. Subsidy will be limited to Rs.30,000/- or actual amount charged by the Banks whichever is less per year.
3. Interest subsidy will be payable by way of reimbursement of interest actually paid to the banks. Subsidy shall be claimed in quarterly instalments.
4. No subsidy shall be payable on instalments defaulted.
5. A Society will be eligible for interest subsidy for a maximum period of three years.
6. The Society shall claim interest subsidy in the form appended to these rules. The application for subsidy shall be accompanied by the following :
 - (a) Copy of the resolution of the Board of Directors requesting for subsidy.



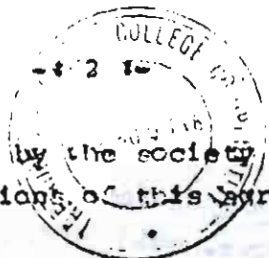
- (b) Copy of the resolution of the Board of Directors agreeing to abide by the conditions of the rules and the instructions the Joint Registrar may issue in this regard.
- (c) A certificate to the effect that subsidy received earlier has been properly accounted in the books of the society.
- (d) A statement of claims indicating the loan No; amount outstanding at the beginning of the quarter, due date of payment of instalments, actual date of payment of instalments, (principal, interest) amount repaid (principal and interest), amount of subsidy claimed.
7. The claims for subsidy will be recommended by the Assistant Registrar concerned after verification of the details furnished in the statement of claims referred to in 6 (d) above.
8. The Joint Registrar of the District shall be competent to sanction the subsidy. The subsidy will be drawn from the Treasury in Bills for miscellaneous payments (T.R. 42) duly countersigned by the Joint Registrar.
9. The society shall execute an agreement in the form prescribed before drawing the subsidy.
10. The Joint Registrar will be competent to stop payment of subsidy or to recover the subsidy already paid in case the society violates any of the conditions of these rules or instructions issued by the Joint Registrar.
11. Any payment in excess of the amount eligible for will be recovered from the society under the provisions of the Revenue Recovery Act.
12. The Joint Registrar will furnish the utilisation certificate to the Accountant General under intimation to the Registrar.

Per: R. Manikrishna Pillai 

7. The agreements to be executed by the society under Rule 4(6) of the rules for payment of share capital contribution and rule 9 of the rules for payment of interest subsidy will be issued separately.

(BY ORDER OF THE GOVERNOR)

A.T. MOHEMDUNNY,
Addl. Secretary to Government.



if any is repaid by the society to Government and until the terms and conditions of this agreement are fully complied with.

(3) The Society shall repay the share capital contribution amount Rupees. 1,00,000 (one lakh only) The repayment of the first instalment commencing from the 5th anniversary to the Government in equal annual instalment at Rs. 10,000/- (tenthousand only) anniversary of the drawal of the amount. The payments of the subsequent instalments shall be on the corresponding dates of the succeeding years. In case of utilisation of the amount wholly or partly, the whole amount shall be recoverable in a lump.

(4) In the case of default in payments of the instalment of the share capital contribution in accordance with clause (3) above, the society shall pay penal interest at the rate of 2 1/2 percent per annum for the defaulted instalments.

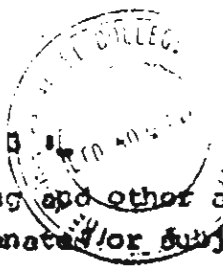
The Society shall furnish to the Joint Registrar of Co-operative Societies (General) of the District Concerned a printed share certificate in favour of the Govt. within one month from the date of encashment of the bill. A list of equipments purchased by the society with the share capital amount will also be furnished to the Joint Registrar.

(6) Notwithstanding anything contained in the rules or in the bye-laws of the society. It shall be open to the Government to withdraw at any time without standing any reasons whatsoever the whole or any portion of the Govt. contribution and the Society shall be liable to refund the amount so withdrawn in a lump at once.

(7) The Society shall remit the dividend accruing on the share capital contribution in the nearest Govt. treasury and the challan receipt shall be forwarded to the Registrar of Co-operative societies within one month from the date of declaration of the dividend by the general body of the Society.

President R. Anikrishna Pillai - *[Signature]* Contd. . . .3/-

[Signature]
Secretary. J. *[Signature]*



- (8) The land, building and other assets of the society shall not be alienated or subjected to any encumbrances during the period of Govt. held shares in the society.
- (9) The dividend shall be payable in the share capital contribution made by the Govt. shall be paid by the society from time to time after deducting the repayment made by the society.
- (10) The society shall strictly abide by all the terms and conditions contained in the said rules and in the said order.
- (11) In case the society commits breach of all or any of the terms and conditions herein contained in the said rules and in the said order, the entire amount advanced shall become repayable by the society in a lump sum at once.
- (12) The Govt. shall have power to amend the rules at any time and without consulting the society and the rules as so amended shall form part of this agreement as if incorporated herein.
- (13) It is hereby declared that the executants of this agreement for and on behalf of the society have the power and authority as per resolution dated. 11.5.93.
- (14) All sums found due to the Govt. order or by virtue of this agreement shall be recoverable from the society and its assets movable and immovable under the provisions of the revenue recovery act for the time being in force as though such sums are arrears of land revenue and in such other manner as the Govt. may deem fit.
- (15) It is hereby mutually agreed upon by both parties that the agreement shall be deemed to have commission and from the 7th day of March One thousand Nine hundred and ninety two.

In witness where of Sri. R. U. *(Signature)* (president) and other board members for and on behalf of the society has and Sri. for and on behalf of the Govt. hereunto set their hands and the seal of the society has hereunto been affixed the day

(Signature)



month and year first above written.

Signed by:-

1. Thomas *Thomas*
2. Leela . . . Leela Thankappan
3. Reginiamma . . . Reginiamma
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.

In the presence of witnesses:-

- 1.
- 2.

Signed by Sri

In the presence of Witnesses

- 1.
- 2.