

## **SCHEMES FOR ASSISTING COMPANIES IN THE RPS SECTOR**

- a. Financial Assistance for Procurement of Computers & Accessories
- b. Grant in lieu of Share Capital
- c. 5% Interest Subsidy

### **a. Financial Assistance for Procurement of Computers & Accessories**

#### **1. Title:**

These rules shall be called the Rubber Board (Revised) Sub - Rules for providing financial assistance for the procurement of computers and accessories under the Market Development Scheme to trading and processing companies jointly promoted by Rubber Board and RPSs.

#### **2. Objective:**

Adopting modern methods of accounting and reporting systems would add to the efficiency of the management of the companies. An efficient management information system is an essential factor of modern management and the role of computers and accessories in such a system is well accepted. The objective of the present scheme is to provide assistance to trading and processing companies to equip themselves to adopt effective management information systems through IT techniques.

#### **3. Eligibility:**

All RPS sector Trading/Processing Companies jointly promoted by the Rubber Board and RPSs situated in states other than the North Eastern States (for which a separate major scheme exclusively for Rubber Development in the North Eastern region is implemented) are eligible for the financial assistance under the scheme. An RPS sector company is defined as "a company promoted by the Rubber Board and RPSs wherein the share capital contributions from the Rubber Board, the RPSs, and any central / state Government organizations and any grants-in-aid from the Rubber Board exceeds 50% of the paid up share capital of the Company."

#### 4. Components & Financial Assistance:

The following items are considered for financial assistance under this scheme during the 10th plan period.

For Corporate or Head Office		
Item	Quantity	Total Approved Cost (Rs.)
Mid range Server (3 year warranty)	1 no.	65,000.00
Desktop PC/nodes (3 year warranty)	3 nos.	1,05,000.00 (@Rs.35,000/-)
Dot Matrix Printer	1 no.	12,500.00
Laser Printer	1 no.	10,000.00
Scanner	1 no.	4,000.00
DVD writer	1 no.	4,000.00
External modem	1 no.	1,500.00
UPS – 600 VA OR Centralised 2 KVA/UPS	4 nos. 1 no.	12,000.00 50,000.00
Network cabling & accessories	-----	15,000.00
Application software including updation.	-----	30,000.00
Computer Furniture (Rubber wood)	5 sets	20,000.00 (@Rs.4,000/-)

For each Branch / Depot.		
Item	Quantity	Total Approved Cost (Rs.)
Desktop PCs	2 no.	70,000.00
Dot Matrix Printer	1 no.	12,500.00
Laser Printer	1 no.	10,000.00
Scanner	1 no.	4,000.00
External modem	1 no.	1,500.00
UPS-600 VA OR Centralised 1 KVA UPS	2 nos. 1 no.	6,000.00 25,000.00
Application software including updation	-----	7,000.00
Computer Furniture (Rubber wood)	2 sets	8,000.00

The maximum number of Branches/Depots which will be considered for financial assistance under the scheme is eight. Guidelines for procurement of the items are enclosed as Annexure-1. Financial assistance under the scheme from the Rubber Board shall be limited to 75% of the approved cost or of the actual cost incurred whichever is less. A company which has already availed financial assistance from the Rubber Board under this scheme for purchase of computer/accessories will be eligible for further assistance only for the remaining quantity under each item as above.

#### **5. Terms and conditions**

1. The assistance under this scheme implemented during the 10th Five Year Plan period will be provided only in cases where the procurement, satisfactory installation and submissions of claims for financial assistance at the P&PD Dept. are completed latest by 25.03.2007.

2. The Board of Directors of the Company should pass a resolution agreeing to abide by these rules and authorizing the Managing Director to prefer a claim for the financial assistance on behalf of the Company.
3. Application can be made in plain paper.
4. Application, along with certified true copies of the resolution, cash bills and purchase details, etc. shall be forwarded to the Director (P&PD), Rubber Board, Kottayam – 686 009 latest by 25th March 2007. A check list is given in Annexure-2.
5. All items may be of MNC product, purchased at competitive rates from reputed and reliable suppliers through quotations.
6. The Chairman, Rubber Board, reserves the right to accept / reject the application without assigning any reason whatsoever.
7. In case of non-compliance of any of these rules or in case of misutilisation of the assistance, it shall be within the right of the Chairman, Rubber Board to demand and enforce refund of the financial assistance in such manner as he deems fit.

**ANNEXURE – 1.**

**GUIDELINES FOR PROCUREMENT OF COMPUTER & ACCESSORIES.**

Computer (Server/Node)	ISO 9001:2000 Certified/MNC units with licensed Operating System (OS) / open source OS. (Windows/Linux with network support)
Printer/Scanner/Modem/CD/DVD writer	MNC/ISO 9001 certified.
UPS	Individual UPS per node or centralised. (ISOP 9001:2000 Certified)
Network	Corporate office may network PCs through fixed CAT5E cabling / wireless network with active components.

Software Development	new or upgradation of existing applications.
Warranty	All items with 3 year onsite comprehensive warranty.
Procurement	Through competitive quotations.

## ANNEXURE –2

### Check List

1. Take resolution in the meeting of the Board of Directors for submitting an application to the Rubber Board for financial assistance for computerisation of the Corporate Office/Branches of the Company.
2. Invite competitive quotations from at least three reputed suppliers/manufacturers for the required items and place order based on evaluation of the quotations.
3. Submit application for financial assistance (in plain paper) along with
  - i. Copy of the resolution of Board of Directors.
  - ii. Copies of quotations received.
  - iii. Comparative statement of quotations.
  - iv. Copies of invoice and payees receipt from suppliers.
  - v. Split up details of paid-up share capital giving breakup of the shares held by each category of share holders and grant –in-aid received from Rubber Board, to confirm eligibility of the Company for the financial assistance under this scheme, as per clause-‘3’.

Note:- All copies to be attested by the Managing Director of the Company.

### **b. Grant in lieu of Share Capital**

**Title:**

These Rules shall be called the Rubber Board's rules for providing grant in lieu of share capital to RPS sector companies under the Tenth Plan Schemes viz. Processing, Quality upgradation and Product Diversification and Market Development.

**Objective:**

The objective of the scheme is to provide grant in lieu of share capital to the RPS sector companies for improving / strengthening their activities in processing and marketing of rubber / rubberwood and distribution of estate inputs to the small holders.

**Eligibility:**

All the RPS sector companies engaged in processing/marketing of rubber/ rubber wood are eligible for this grant.

**Components / Activities:**

The grant can be utilized for the activities undertaken by the RPS sector companies for improving/strengthening the activities in processing / marketing of rubber / rubber wood and distribution of estate inputs to the small holders.

**Terms & conditions:**

1. This scheme will be implemented during the 10th Five Year Plan period.
2. The grant will be limited to the value of shares subscribed and paid up by the members of the company other than the Board during the 10th Five Year Plan period.
3. The company proposing to avail the grant under these rules shall pass a resolution in its Board Meeting agreeing to abide by these rules, to execute an agreement in the prescribed form and authorizing the Managing Director to submit the application and execute the agreement. Form of application is given in Annexure 1. Form of Board resolution is given in Annexure 2 and form of agreement is given in Annexure 3. (to be executed on stamp paper worth Rs.50/-)
4. Along with the application, the company should submit the following details supported by the documents and Auditor's Certificate for the previous years as on 31st March including 2001-02.

- a. Authorized share capital:
  - b. Shares subscribed and paid up. (for each category of members such as Rubber Board, RPSs, RPS companies, individuals etc.)
5. Not withstanding the fulfillment of any or all of the conditions under these Rules, the Chairman, Rubber Board has discretionary powers to grant or refuse the claim or to limit the grant to a particular amount.
  6. The Chairman, Rubber Board will have the powers to alter/modify any of the provisions of these rules for the smooth operation of the scheme.

**Annexure - I**

**APPLICATION FOR GRANT IN LIEU OF SHARE CAPITAL TO COMPANIES.**

1. Name & address of the Company :
2. Registration No. & Date :
3. Activities :
4. Grant applied :
5. Signature with date and seal of the applicant :
6. Enclosures.

(1)

(2)

(3)

**Annexure 2**

**FORM OF RESOLUTION**

(Please retype the form with applicable terms only)

True copy of the Resolution to be passed by the Board of Directors of RPS Company in connection with their application for grant in lieu of share capital.

Board Resolution No.....dt.....

Resolved to apply to Rubber Board for

grant Rs.....(Rupees.....  
.....) in lieu of share capital under Rubber Board's Rules for grant to RPS  
sector companies for the period from..... To .....

Board Resolution No.....dt.....

Resolved further to authorize the Chief Executive Shri.....  
(Name and designation) of the Company to apply for grant from Rubber  
Board and to execute necessary agreements prescribed by the Rubber  
Board, on behalf of the Company .

Board Resolution No.....dt.....

Resolved to abide by the terms and conditions specified by the Rubber  
Board in the Rules for providing grant to RPS sector companies, as amended  
from time to time.

**Annexure - 3**

(On Rs.50/- stamp paper)

THIS AGREEMENT made on the ..... day of .....Two  
Thousand Two and executed between M/s ..... a  
company / under.....with registered office at.....(hereinafter  
referred to as the 'company which expression where the context admits shall  
also mean and include it's successors and assigns) represented by its  
Managing Director Shri.....aged  
..... son of Shri..... residing  
at.....on the one part and the Rubber Board, a statutory body  
corporate constituted under the Rubber Act, 1947 (Central Act XXIV of 1947)  
and having its head office at Kottayam in Kottayam District, Kerala State  
(hereinafter called the 'Board' which expression where the context admits shall  
also mean and include its successors and assigns) on the other part.

WHEREAS the Company requested the Board for grant of Rs. ....  
(Rupees ..... only) under the rules of grant to RPS sector  
companies (hereinafter referred to as 'Rules').

AND WHEREAS the Board has agreed to sanction a sum of Rs.....  
(Rupees ..... only) as grant under the rules, subject to the



terms and conditions herein contained.

NOW THEREFORE it is agreed between the parties as follows:

1. That the Company hereby undertakes to carry out all instructions issued from time to time by the Board and abide by the terms and conditions of the rules.
2. That the Company hereby agrees to submit periodic reports to the Board as prescribed by the Board on the quantitative and qualitative benefits accrued as a result of the implementation of the scheme.
3. If the Company violates any of the terms and conditions herein contained or any provision of the rules or any of the instructions from the Board or in case of any misappropriation of financial assistance granted by the Board or any wrong claim made the Board shall have the right to demand and enforce repayment forthwith of the entire amount of financial assistance granted by the Board along with penal interest as decided by the Board.

4) For matters not specifically provided herein, the Company hereby agrees to abide by all the terms and conditions contained in the rules, as may be amended from time to time as if these rules are set out herein and form part of the agreement.

Signed, Sealed and Delivered for and on behalf of ..... By  
(Authorised Signatory)

In presence of Witnesses

1) .....

2) .....

Signed and Sealed for and on behalf of the Rubber Board by the Chairman.

In the presence of Witnesses

1) .....

2) .....

**c. 5% Interest Subsidy**

### **1. Title:**

These rules shall be called the Rubber Board's sub rules for availing 5% interest subsidy, under the Scheme of "Market Development", by the processing / trading companies promoted by the Rubber Board in the RPS sector for meeting a portion of the expenditure incurred towards interest paid during the year 2006-'07 on loans availed by them from commercial banks.

### **2. Objective:**

The objective of the scheme is to provide 5% interest subsidy to the processing and trading companies in the RPS sector for meeting a portion of their burden towards interest payments during the year 2006-'07 on loans availed by them from commercial banks with a view to encourage the companies to avail loans from banks to meet their working capital requirements for improving the processing / trading activities for the benefit of small growers of rubber.

### **3. Eligibility:**

All the processing and trading companies jointly promoted by the Rubber Board and Rubber Producers Societies who are undertaking processing / marketing of natural rubber and procurement & distribution of estate inputs are eligible for availing interest subsidy under this rules.

### **4. Terms and conditions**

1. The scheme will be implemented during the current financial year. i.e., 2006-'07.
2. Interest subsidy will be paid for an amount equal to 5% portion of total amount of interest paid, to be calculated as

$$\frac{\text{Total Interest paid}}{\text{Rate of Bank Interest}} \times 5$$

on loans availed from commercial banks to meet the working capital of the Company for trading / processing activities. The total amount of interest subsidy during the year will be limited to a maximum of Rs. 5 lakhs for each company. Total amount of interest subsidy available under the scheme for all the companies during this year shall be Rs. 50 lakhs.

3. The RPS sector companies who wish to avail the interest subsidy should submit an application in plain paper addressed to the Director (P&PD), Rubber Board, Kottayam along with a certificate from the commercial bank showing the following particulars in support of the claim:
  - a. Name of the bank
  - b. Nature of loan and its limit.
  - c. Date from which the loan is availed.
  - d. Rate of Interest.
  - e. Amount of interest paid by the company and dates of payment.
  - f. Period for which interest has been paid.
  - g. Purpose for which the loan was utilized.
4. The company proposing to avail the interest subsidy under this scheme shall
  - a. pass a resolution (as per format attached) in their Board Meeting
  - b. execute an agreement (as per format attached) for 2006-'07 in this respect with the Board on stamp paper worth Rs.50/-.
5. The RPS company availing the interest subsidy should furnish, after closing of the financial year 2006-'07, the details of the quantity and value of the rubber processed/traded and details of inputs procured and distributed during the year.
6. The RPS company availing the interest subsidy shall adhere to the rules of the scheme.
7. The company shall keep regular and detailed accounts regarding the utilization of the loan amount availed from the commercial bank and shall submit such reports such as quarterly reports on trading/processing, etc. and furnish such information as may be required by the Board from time to time.
8. Notwithstanding the fulfillment of any or all of the conditions under these rules, the Chairman, Rubber Board has discretionary powers to grant or refuse a claim or to limit the subsidy to a particular amount.
9. The Chairman, Rubber Board will have the powers to alter/modify any of the provisions of these rules for the smooth operation of the scheme.

#### **APPLICATION FOR AVAILING 5 % INTEREST SUBSIDY BY RPS SECTOR**

**COMPANIES.**

- 1. Name and address of the Company :
- 2. Registration No. & Date :
- 3. Activities of the Company :
- 4. Details of working capital loans taken from commercial banks for marketing / processing of NR; purchase & distribution of inputs

- (a) Name of the bank :
  - (b) Nature of loan & its limit :
  - (c) Date from which the loan has been availed :
  - (d) Interest rate :
  - (e) Amount of Interest paid :
  - (f) Period for which interest has been paid :
  - (g) 5% interest subsidy applied for :
- Total Interest paid  
----- x 5  
Rate of Bank Interest

- 5. Whether the following documents are enclosed :
  - a) Duly-signed resolution of Board of Directors (First time only) : Yes / No / NA
  - b) Agreement executed on stamp paper (First time only) : Yes / No / NA
  - c) Certificate from financing bank : Yes / No
- 7. Whether the company is agreeable to the terms & conditions of the revised sub-rules : Yes / No.

- 8. List of enclosures :
  - 1.
  - 2.
  - 3.

Place:  
Date :

(Office Seal)

(On Rs.50/- stamp paper)

**Annexure - II**

THIS AGREEMENT made on the. .... day of .....Two Thousand and Six and executed between M/s..... a Company registered under the Companies Act, 1956 with its Registered Office at ....., ....., .....P.O., ....., in the State of Kerala (hereinafter referred to as the “Company” which expression where the context admits shall also mean and include its successors and assigns) represented by its Managing Director Shri..... aged ..... son of Shri..... residing at .....on the one part and the RUBBER BOARD, a statutory body corporate constituted under the Rubber Act, 1947 (Central Act XX IV of 1947) and having its Head Office at Kottayam, in Kottaym District, Kerala State (hereinafter called the “Board” which expression where the context admits shall also mean and include its successors and assigns) on the other part,

WHEREAS the Company at its meeting of Board of Directors held on ..... decided to apply to the Board for availing 5% interest subsidy on the amount of interest payments to commercial banks during the year 2006-07 as per the revised Sub Rules for providing 5% interest subsidy to the Processing / Trading companies promoted by the Rubber Board in the RPS sector, under the Market Development Scheme,

AND WHEREAS the Board has agreed to sanction interest subsidy for an amount equal to 5% portion of total amount of interest paid, to be calculated as

$$\frac{\text{Total Interest paid}}{\text{Rate of Bank Interest}} \times 5$$

on loans availed from commercial banks to meet the working capital of the Company for trading / processing activities subject to the terms and conditions as specified in the revised Sub Rules of Board under the scheme for Market Development and herein contained,

NOW THEREFORE it is agreed to between the parties as follows:

1. That the company hereby undertakes to abide by the terms and conditions of the revised sub rules framed by the Board in this regard and also to adhere to

all instructions issued by the Board from time to time.

2. That the company hereby agrees to furnish the details of the quantity and value of the rubber processed/traded and inputs procured and distributed during the year, after closing of the financial year.

3. The company also hereby agrees to keep regular and detailed accounts regarding the utilization of the loan amount availed from the commercial bank and also to submit such reports and to furnish such information as may be required by the Board from time to time.

4. In the event of violation of any of the terms and conditions herein contained or contained in the revised sub rules or any of the instructions issued by the Board from time to time or misappropriation of the interest subsidy granted by the Board or submission of inadmissible claims, the Board shall have the right to demand and enforce forthwith repayment of the entire amount of the interest subsidy granted by the Board, along with penal interest @ 10 % per annum.

5. For matters not specifically provided herein, the Company hereby agrees to abide by all the terms and conditions contained in the revised sub rules as may be amended from time to time as if these rules are set out herein and forming part of the agreement.

Signed, Sealed and Delivered for and on behalf of  
M/s..... by

(Authorized

Signatory)

In presence of witnesses:

1 .....

2 .....

(Seal)

Signed and Sealed for and on behalf of the Rubber Board

DIRECTOR (P&PD)

In presence of witnesses:

1.....

2 .....

(Seal)

**Annexure - III**

**FORM OF RESOLUTION**

TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF M/s. .... IN CONNECTION WITH THEIR APPLICATION FOR CLAIMING 5% INTEREST SUBSIDY TO RPS COMPANIES.

Board Resolution No. .... dt:.....

“RESOLVED to apply to the Rubber Board for availing 5% interest subsidy on the amount of interest payments to commercial banks during the year 2006-07 as per the revised Sub Rules for providing 5% interest subsidy to the Processing / Trading companies promoted by the Rubber Board in the RPS sector, under the Market Development Scheme.”

“ALSO RESOLVED to abide by the terms and conditions specified by the Rubber Board in the Rules for availing 5% interest subsidy to RPS Companies.”

“RESOLVED FURTHER to authorize Shri..... the Managing Director of M/s..... to execute the agreement prescribed by the Rubber Board on behalf of the Company and to give necessary applications as prescribed for availing 5% interest subsidy from the Rubber Board quarterly / half yearly / annually.”

Signature :

Name :

Designation : Managing Director

Place:

Date :

(Office Seal)