

Schemes for Assisting Rubber Growers' Cooperatives

Rubber small holders had long remained an unorganised lot. Considering the need to promote among them a spirit of self-help, the Rubber Board took vigorous steps from early 1960 to encourage them to organise under dedicated co-operatives. The help provided included organisational assistance, share participation, working capital loans etc. As a result, a series of some 40 Rubber Marketing Co-operatives with either districts or taluks as areas of operation have since come into existence and are functioning with varying degrees of success. Besides rubber marketing, these cooperatives undertake marketing of various plantation inputs such as fertilisers, fungicides, acid for coagulation of latex, tapping aids etc. A number of marketing co-operatives also own and run large sized modern rubber processing factories.

There are over 200 village level service co-operatives and co-operative banks which, among their other activities, are serving the rubber grower through marketing of rubber, fungicides, chemicals, tapping aids and other estate requisites. Rubber Marketing Co-operatives and village level co-operatives play important roles as nodal agencies for extension services. With the active help and involvement of Rubber Board, they organise and conduct a very large number of seminars, study classes etc for the benefit of rubber growers.

The Rubber Board has over the years implemented a number of schemes aimed at helping co-operatives. The details of the scheme in operation are as follows.

a. Financial Assistance for Strengthening Rubber Processing & Rubber Marketing Activities of Co-Operative Sectors

1. Title:

These rules shall be called the Rubber Board's rules for providing financial assistance for strengthening rubber processing and marketing activities of co-operative societies under the processing, quality upgradation and product diversification and Market Development schemes 2002-'07.

2. Objective:

The objective of the scheme is to provide a loan to co-operative societies to meet part of their working capital for processing and marketing activities in rubber to enable them to offer better prices to the rubber growers.

3. Eligibility:

All rubber marketing or/and processing co-operative societies undertaking trading and/or processing of rubber in India except those in North Eastern region are eligible for assistance under the scheme.

4. Financial Assistance:

Financial assistance under this scheme will be on the basis of processing or marketing capacity and the actual quantity of rubber processed or marketed during the year 2005-'06. The loan under this activity to a society will be limited to a maximum as given below:

- a. Co-operatives with trading of 5000 MT and above of all forms of rubber in the financial year 2005-'06: Rs. 25 lakhs.
- b. Co-operatives with trading and processing of 3000 MT and above of all forms of rubber in the financial year 2005-06: Rs.25 lakhs.
- c. Co-operatives with trading activities 3000 MT and above of all forms of rubber in the financial year 2005-'06: Rs.20 lakhs.
- d. Co-operatives with trading activities below 3000 MT of all forms of rubber in the financial year 2005-'06: Rs.10 lakhs.

5. Terms and conditions

1. The loan be given only for trading and/or processing activity and not for manufacturing activity.
2. This scheme will be implemented during the financial year 2006-'07.
3. The eligible processing or/and marketing society shall make an application for the financial assistance in the prescribed format which is enclosed as annexure-1.
4. Applications for loan under this sub schemes shall be received before 20/2/2007.
5. Financial assistance will be in the form of a loan for which repayment will commence on completion of one year in 8 equal quarterly instalments. The loan shall carry 6% p.a. simple interest. A penal simple interest of 0.5% p.a. will be charged for default in repayment of the loan.

6. Processing or/and marketing co-operatives who have defaulted repayment of any previous financial assistance from the Board (such as share capital contribution, margin money loan, etc.) are not eligible for this assistance.
7. The society proposing to avail loan under these rules shall pass a resolution in the prescribed format (annexure-2) in its Director Board meeting agreeing to abide by these rules, to execute an agreement in the prescribed format (annexure 3, to be executed on stamp paper worth Rs.50/-) and authorizing the Managing Director, or the Secretary to submit the application and execute the agreement. They should also submit certified annual accounts for 2005-'06 and certified performance report for 2005-'06 along with the application.
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 assistance 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.
10. The application (in the prescribed format) along with true copy of the Resolution of the Director Board and Agreement (in the prescribed format) on stamp paper worth Rs.50/-, certified annual accounts and performance reports for 2005-'06 should be sent to: The Director (P&PD), Rubber Board, Kottayam – 686 009, Kerala.
11. The Board or any officer of the Board authorized in this behalf shall have the power to enter upon the premises of the Society at anytime during office hours to check and inspect all assets of the Society including stock, stores and raw materials and other general assets and the Society shall render all reasonable facilities for conducting such checks or inspection.
12. The Society shall keep regular and detailed accounts regarding the utilization of the loan amount and shall submit such reports and furnish such information as may be required by the Board from time.

b. Loan to Co-Operatives for Strengthening Marketing Infrastructure

1. Title:

These rules shall be called the Rubber Board's Sub Rules for providing loan to co-operatives for strengthening their marketing infrastructure.

2. Objective:

The objective of the present scheme is to provide market development assistance to co-operative societies which are also doing marketing of rubber and estate inputs. The assistance provided should be used for strengthening their marketing infrastructure.

3. Eligibility:

All co-operatives who are also engaged in marketing of natural rubber and estate inputs and all rubber marketing societies situated in states other than the north eastern states are eligible for the financial assistance under the scheme.

4. Financial Assistance:

The financial assistance to the extent of Rs.2 lakhs per society as loan will be given. The loan should be repaid in five equal annual instalments – and it should carry 6% p.a. interest and a penal interest of 0.5% p.a. for default of instalments.

5. Terms and conditions

- a. The assistance under this scheme be implemented during 2006-07 only.
- b. Those applications received by 20/2/2007 will become eligible for the assistance.
- c. Co-operatives which are defaulters of any previous financial assistance of the Board (such as share capital contribution, margin money loan, etc.) are not eligible for this assistance. Once they clear all the dues, they also become eligible for the assistance.
- d. Those eligible co-operatives can apply for the assistance immediately.
- e. The society proposing to avail loan under these rules shall pass a resolution in its Director Board meeting agreeing to abide by these rules, to execute an agreement in the prescribed format and authorizing the Managing Director, or the Secretary to submit the application and execute the agreement.
- f. Application can be made in plain paper or letter head of the society in the prescribed format (as given in Annexure 1.) Form for Director Board's Resolution is given in Annexure 2 and form for agreement is given in Annexure 3 (to be executed on stamp paper worth Rs.50/-.)

- g. 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 assistance to a particular amount.
- h. 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.
- i. The application (in the prescribed format) along with true copy of the Resolution of the Director Board and Agreement (in the prescribed format) on stamp paper worth Rs.50/- should be sent to: The Director (P&PD), Rubber Board, Kottayam – 686 009, Kerala.
- j. The co-operative should be submit a utilization certificate on completion of three months of the receipt of the loan.
- k. The Board or any officer of the Board authorized in this behalf shall have the power to enter upon the premises of the Society at anytime during office hours to check and inspect all assets of the Society including stock, stores and raw materials and other general assets and the Society shall render all reasonable facilities for conducting such checks or inspection.

The Society shall keep regular and detailed accounts regarding the utilization of the loan amount and shall submit such reports and furnish such information as may be required by the Board from time to time.

Annexure – I

APPLICATION FOR LOAN TO CO-OPERATIVES FOR STRENGTHENING PROCESSING & MARKETING ACTIVITIES.

1. Name and address of the Co-operative Society :

2. (a) Whether any loan A/c. with Rubber Board is outstanding :

- (b) If yes, give full particulars of the outstanding loan and repayments, if any made :

3. Activities of the societies in rubber processing/marketing :

4. Amount of loan applied for :
5. Purpose for which it is proposed to be utilized :
6. Details of Marketing Activities for the last six years :
(including the current year 2006-'07)

Year	Quantity of NR traded, MT drc.			Estate Inputs (Rs. lakhs)	Profit (+) / Loss (-) (Rs. lakhs)	Accumulated profit (+)/ Loss (-) (Rs. lakhs)	Paid up share capital (Rs. lakhs)
	RSS	Scrap	Latex				
2006-07 (to-date)							
2005-06							
2004-05							
2003-04							
2002-03							
2001-02							

7. Details of processing Activities:

Year	Qty. of NR processed, MT DRC					Qty. of sales, MT DRC					Profit(+)/Loss(-) Rs. in lakhs				
	Cr. La	EBC	CL	BR	PLC	Cr. La	EBC	CL	BR	PLC	Cr. La	EBC	CL	BR	PLC
2006-07 (to-date)															
2005-06															
2004-05															
2003-04															
2002-03															
2001-02															

Cr. La – creamed latex ; CL – centrifuged latex ; BR- block rubber

8. Enclosures:

- 1. Resolution of Board of Directors : Yes/No
- 2. Agreement on stamp paper : Yes/No
- 3. Certified annual accounts for 2005-'06 : Yes/No
- 4. Performance report for 2005-'06 : Yes/No
- 5. Others, if any :

Place :
Date :

Signature (with seal) of the:
Mg. Director/Secretary

(Office Seal)

FOR OFFICE USE ONLY
Remarks:

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 the Co-operatives in connection with their application for availing loan from the Rubber Board for strengthening processing and marketing activities.

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

Resolved to apply to the Rubber Board a loan for Rs..... (Rupees.....) under the Rubber Board's Rules for financial assistance for strengthening processing and marketing activities.

Also resolved to abide by the terms and conditions specified by the Rubber Board in the Rules for availing loan by the Co-operatives, as amended from time to time.

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

Resolved further to authorize the Managing Director/Secretary* Shri..... (Name and Designation) of the Co-operative to apply for the loan from the Rubber Board and also to execute necessary agreements prescribed by the Rubber Board, on behalf of the Co-operative for the same.

Signature:
Name & Designation:

Place:
Date:

(Office Seal)

(*) Delete the term not applicable.

Annexure – 3

(On Rs. 50/- stamp paper)

THIS AGREEMENT made on the day oftwo thousand and executed between M/s....., a co-operative society registered (vide Regn. No.....) under the Co-operatives Act & Rules (as amended) with its Registered Office at,, P.O.,, in the State of Kerala (hereinafter referred to as the “Society” which expression where the context admits shall also mean and include its successors and assigns) represented by its Managing Director / Secretary 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) represented byon the other part,

WHEREAS the Society applied to the Board for loan of Rs.....(Rupees only) at an interest of 6% per annum and 0.5% p.a. as penal interest for default in repayment of instalments in accordance with the Sub Rules for providing loan to co-operatives for strengthening rubber processing and marketing activities of co-operative sectors(herein after referred to as 'Rules' which shall form part of this agreement).

AND WHEREAS the 'Board' has agreed to sanction a sum of Rs..... (Rupees only) as loan under the said rules, subject to the terms and conditions herein contained,

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

1. That the 'Society' hereby undertakes to abide by the terms and conditions of the 'Rules' prescribed by the Board in this regard and to adhere to all instructions issued from time to time by the Board.
2. That the 'Society' hereby agrees to submit periodic reports to the 'Board' as prescribed under these 'Rules'.
3. The repayment will start on completion of one year of payment of the loan amount in eight equal quarterly instalments. 4. The loan shall be utilized only for the purpose for which it has been granted by the Rubber Board.
4. If the 'Society' 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 loan granted by the 'Board' along with penal interest @0.5% per annum.
5. For matters not specifically provided herein, the 'Society' 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 ofBy

(Authorised signatory)

In presence of witnesses:

1.....

2.....

Signed and sealed for and on behalf of the 'Board' by the Chairman in the presence of witnesses.

CHAIRMAN.

In presence of witnesses:

1.

2.