

# **The M.P. Co-Operative Societies (Loans and Subsidies for Irrigation Purposes) Rules, 1961**

MADHYA PRADESH

India

## **The M.P. Co-Operative Societies (Loans and Subsidies for Irrigation Purposes) Rules, 1961**

### **Rule**

### **THE-M-P-CO-OPERATIVE-SOCIETIES-LOANS-AND-SUBSIDIES-FOR-IRRIGATION-PURPOSES) RULES, 1961**

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The M.P. Co-Operative Societies (Loans and Subsidies for Irrigation Purposes) Rules, 1961 Published vide Notification No. 10003-5771-14-2, published in M.P. Gazette, Part 4 (Ga), dated 10-11-1961 at page 935 The State Government hereby makes the following rules for the grant of loans and subsidies to the Co-operative Societies in Madhya Pradesh for irrigation purposes, namely-

#### **1. Short title.**

- These rules may be called The Madhya Pradesh Co-operative Societies (Loans and Subsidies for Irrigation Purposes) Rules, 1961.

#### **2. Definitions.**

- In these rules, unless the context otherwise requires, -(a)"Collector" means the Chief Officer-in-Charge of the revenue administration of a district;(b)"Commissioner" means the Chief Officer-in-Charge of the revenue administration of a division;(c)"Director" means the Director of Agriculture, Madhya Pradesh;(d)"District Agriculture Officer" means the District Agriculture Officer of the Agriculture Department of the district concerned;(e)"Society" means a co-operative society formed by cultivators and registered under the laws relating to co-operative societies for the time being in force in any region of the State and includes the following types of societies, namely;(1)Lift Irrigation or Irrigation Society.(2)Better Farming Society.(3)Joint Farming Society.

### 3. Purposes for which loans or subsidies may be granted.

- Loans or subsidies as admissible may be granted to a society under these rules for the following purposes, namely-(a)for flow irrigation by construction of tanks and bunding of nullahs; and(b)for lift irrigation by installation of pumps.

### 4. Maximum amount of loan or subsidy permissible.

- The amount of loan or subsidy permissible to a society shall be subject to the maximum limits specified below-

Purpose(1)		Maximum limit	
Loan(2) Subsidy(3)			
(i)	For flow irrigation by construction of tanks and bunding of nullahs.	Rs.15,000	25 percent of the loan taken will be treated as subsidy if the conditions are fulfilled.
(ii)	For lift irrigation by installation of pumps.	25,000	Nil.

### 5. Application.

(1)Every application for a loan or subsidy may be presented to the Collector through the District Agriculture Officer. It shall be made in writing in form appended to these rules and shall be duly supported by a resolution of the Managing Committee of the society.(2)The society making an application under sub-rule (1) shall furnish to the satisfaction of the District Agriculture Officer such other information as he may require.

### 6. Authorities by whom loans or subsidies may be granted.

- Loans or subsidies may be granted by the authorities and to the extent specified below-

Authority(1)	Amount(2)
Commissioner	In the case of loans not exceeding Rs.10,000
Collector	In the case of subsidies not exceeding Rs.2,500
	In the case of loans not exceeding Rs.5,000
	In the case of subsidies not exceeding Rs.1,250

An application for a loan exceeding Rs. 10,000 and for a subsidy exceeding Rs. 2,500 shall be referred to the State Government for its sanction.

## **7. Disposal of application.**

(1) On receipt of the application the District Agriculture Officer shall either make an inquiry himself or cause one to be made by an Agriculture Assistant within whose jurisdiction the society falls for the purpose of ascertaining the particulars in the application form. (2) The objections, if any, submitted to the Agriculture Assistant shall be disposed of by him at the time when he makes the inquiry. The objections, if any, submitted to the District Agriculture Officer, shall be disposed of by him at the time when he makes the inquiry himself and if not, upon receipt of the report of the Agriculture Assistant. (3) The District Agriculture Officer shall forward the application with his report and recommendation thereon to the Collector. If the Collector is empowered by Rule 6, he may himself grant or refuse the loans or subsidy, otherwise he shall forward the application with his report and recommendation thereon to the Commissioner through usual channel to the State Government, as the case may be.

## **8. Limitations of amount of loans and rate of interest.**

(1) Loans shall be granted on adequate security as is obtained usually under the Agriculturists's Loans Act, 1884 and the Land Improvement Loans Act, 1883 and rules framed thereunder. (2) No loan may be granted unless the authority granting loan is satisfied of the sufficiency of the security with a margin of safety. (3) The loan granted under these rules shall bear interest at such rate as may be fixed by the State Government from time to time.

## **9. Loans how secured.**

- Every loan granted to a society shall be secured by a mortgage of the assets of the society subject to any encumbrances existing at the time when the loan is granted and by such collateral security, if any, as the authority competent to grant loan may specify.

## **10. Payment of loan or subsidy in instalments.**

- The loan or subsidy may be advanced in instalments at the discretion of the sanctioning authority. The amount of each instalment shall be such as may be decided by the authority granting the loan or subsidy. Satisfactory evidence shall be produced to show that the amount of the instalment has been actually utilised for the purpose for which it was advanced before the next instalment is paid.

## **11. Utilization of loan or subsidy.**

(1) If the loan or subsidy or any part thereof advanced under these rules is utilised by the society to whom a loan or subsidy has been granted or paid under these rules for the purpose other than that for which the loan and/or subsidy is granted, the whole of the amount of the loan and/or subsidy together with interest due thereon shall become recoverable at once. (2) The project in case of flow irrigation should command a minimum area of 100 under flow irrigation and cost per acre should not exceed Rs. 150. (3) In case of flow irrigation the project should be started within two months of

the receipt of loan or subsidy and shall be completed within a period of one year.(4)In case of lift irrigation by installation of pump, it should be installed within six months from the date of receipt of the loan or subsidy.

## **12. Repayment of loan.**

(1)Every loan granted under these rules shall be made recoverable by instalments within such period from the date of the actual advance of the loan, or when the loan is advanced in instalments, from the date of actual payment of the last instalment and bear interest at such rate and be payable in manner as may be fixed by the order granting the loan.(2)The period fixed as aforesaid shall not exceed 10 years unless the State Government, by general or special order, extends the same.

## **13. Submission of reports of returns.**

- The Society to whom a loan and/or subsidy is granted or paid under these rules shall submit to the Director or Collector through the District Agriculture Officer such periodical reports or returns regarding the working of the society and utilization of the loans and/or subsidy in such form and in such manner as the director may from time to time direct.

## **14. Effect of non-payment of instalments.**

- If the society to whom the loan has been paid under these rules makes default in the payment of the instalment due with interest thereon the whole of the unpaid balance of the principal and interest thereon shall become payable at once:Provided that the authority competent to grant the loan may instead of recovering the whole of the amount due from the said society, charge interest at an enhanced rate of interest as fixed by the State Government on the instalment defaulted for the period of the default as is applicable in the case of cultivators.

## **15. Duty to maintain the works, etc. in good conditions.**

- The society to whom a loan has been granted under these rules shall maintain or cause to be maintained in good condition the works and all other properties of any kind mortgaged to the State Government as security for the loan.

## **16. Power to inspect premises, etc.**

- The society to whom a loan and/or subsidy had been granted or paid under these rules shall be bound to permit the Director and Collector of the District or any other persons authorised by them in this behalf to inspect the premises, pumping set and the accounts of the society and to grant facilities for all or any of these purposes.

## 17. Penalty.

(1) In the event of the society to whom a loan and/or subsidy has been granted or paid under these rules, committing a breach of any of these rules or of any conditions laid down in the instrument regarding the grant of loan or subsidy, the authority sanctioning the loan or subsidy may in its discretion order recovery of the whole amount of the loan outstanding or subsidy with interest accrued due thereon in one lump-sum or may order only recovery of interest at such enhanced rate as may be fixed by the State Government on the overdue instalment of the loan for the period of default. (2) No loan shall be granted to a society which has defaulted in repayment of any instalment of any loan granted under these rules except with the permission of the State Government.

## 18. Settlement of dispute.

- All disputes, differences and questions which may at any time arise between the society and the Director, Collector or Commissioner, or arising out of the instruments regarding the loan or subsidy or any other connected matter shall be referred to the Secretary to Government of Madhya Pradesh, Agriculture Department, whose decision thereon shall be final and binding on both the parties. Form [See Rule 4] Application for the grant of loan/subsidy

1. Full name of the society (that name to be given which is mentioned in the bye-laws of the society and registered) .....
2. Its registered address with the name of the Tehsil and the District concerned .....
3. (i) Its registration number with date. Its present activities. ....  
(ii) The names and address of the office bearers who conduct .....
4. Details of land which is to be irrigated and the land which is in the possession of the society .....
5. Number of its members .....
6. Please furnish balance-sheet and profit and loss account statement of the society of the preceding year .....
7. Future plan, if any, for expansion of the activities of the society .....
8. Amount of loan and/or subsidy applied for .....
9. Purpose for which such loan or subsidy is required with detailed estimates .....
10. Number of instalments in which the loan with interest may be recovered. ....
11. If the society has secured any loan from any other source, then give details under the following heads- .....
- (i) From whom the loan has been taken? .....
- (ii) Date of taking the loan .....
- (iii) Purpose or purposes for which the loan has been taken. ....
- (iv) Security given for the loan. ....
- (v) Amount of the loan. ....

- (vi) Total amount of instalment already paid back. ....
- (vii) Balance amount of the loan to be paid .....  
 12. Attach true copy of managing committee's resolution in support of application for loan and/or subsidy and acceptance of the rules governing the grant thereof. ....

We,..... hereby solemnly declare that we have read the Madhya Pradesh Co-operative Societies (Loans and Subsidies for Irrigation Purposes) Rules, 1961, and we hereby agree and declare for and on behalf of the above-mentioned society to bind the said society with the provisions of the said rules and hereby solemnly state and declare that the statements made and information given above to secure the loan or subsidy applied for are true to our knowledge and belief.

Signature of ..... Signature of the President of the  
 Witnesses-1.....2..... Society.

Signature of ..... Signature of the Secretary of the  
 Witnesses-1.....2..... Society.

**Deed of Mortgage** This deed of mortgage is made this .....day of .... 20..... between..... a society registered under the Madhya Pradesh/Madhya Bharat/Vindhya Pradesh/Bhopal Co-operative Societies Act, 19..... and having its registered office at..... acting through the..... (hereinafter called the "Mortgagor", which expression shall, where the context so admits, include its permitted assigns) of the one part and the Governor of the Madhya Pradesh, acting through the Collector of.... district (hereinafter called the "Mortgagee", which expression shall, where the context to admits, include his successors-in-office) of the other part; Whereas upon the application of the Mortgagor under the Madhya Pradesh Co-operative Societies (Loans and Subsidies for Irrigation Purposes) Rules, 1961, which shall include any amendment and modification thereof (hereinafter called the said Rules), the Collector/Commissioner/Government has agreed to advance a loan/subsidy of Rs..... (Rupees..... only) to the Mortgagor for the purposes..... on the terms and conditions hereinafter appearing: And whereas the Mortgagor has accepted the said terms and conditions and also to abide by the said Rules: Now, therefore, this deed witnesses as follows:

## **1. The Mortgagee agrees to advance to the Mortgagor a loan/subsidy of Rs (Rupees only) payable in.....instalments as follows-**

Instalment(1)	Due Date(2)
1st instalment	.....
2nd instalment	.....
3rd instalment	.....

The Mortgagor hereby acknowledges receipt of the first instalment of Rs..... provided that the subsequent instalments shall be paid to the mortgagor only when he produces evidence to the satisfaction of..... that the amount of the instalment already paid has been actually utilised for the purpose for which it was advanced.

- 2. The loan/subsidy shall carry simple interest at..... percent per annum.**
- 3. The Mortgagor shall apply the said loan/subsidy for the purpose of and shall not use the said loan/subsidy or any part thereof for any other purpose whatsoever.**
- 4. The Mortgagor shall repay the loan/subsidy together with interest due thereon in..... equal annual instalments of Rs..... (Rupees.....) each. The first such instalments shall fall due on..... and subsequent instalments on or before..... Nothing herein contained, however, shall debar the Mortgagor from repaying in whole the amount of the loan/subsidy at any time in one instalment or in less than ..... instalments.**
- 5. The Mortgagor shall observe and carry out all such instructions as may from time to time be issued by ..... in respect of any matter connected with this deed and under the said Rules.**
- 6. The articles or apparatuses or pumps or anything purchased by the Mortgagor by or with the help of the said loan/subsidy and accounts connected therewith, besides the premises, stock and cash in hand, shall be open at all times to the inspection of the Director of Agriculture, the Collector/the Commissioner/or any other person or officer duly authorised by them in this behalf.**
- 7. For the consideration aforesaid, the Mortgagor hereby transfers byway of simple Mortgage all assets and other property mentioned in the Schedule hereunder belonging to the Mortgagor and the purchases made and the works constructed by or with the help of loan/subsidy granted hereunder (hereinafter called the said property) to the intent that the said property shall remain and be charged as security for the repayment by the Mortgagor to the Mortgagee of the amount of the loan together with interest due thereon in accordance with the covenants hereinbefore contained. The Mortgagor shall also furnish such collateral security as the Collector/Commissioner/Government may in this behalf demand.**

**8. In case of default in the payment of any sum becoming payable under clause 4 or on failure on the part of the Mortgagor to utilise the amount of the loan/subsidy for any purpose other than that for which the loan/subsidy has been granted under clause 3 or in the event of a breach of any of the conditions herein contained on the part of the Mortgagor, the whole of the loan/subsidy together with interest due thereon outstanding against the Mortgagor shall be recoverable in lump-sum:**

Provided that in lieu of such recovery the Collector/Commissioner/ Government may order recovery of interest at an enhanced rate of Rs. .... per annum for such period of the default as the State Government may prescribe.

**9. The Mortgagor shall furnish to the Director of Agriculture or Collector through the District Agriculture Officer such periodical reports or returns regarding the working of the society and utilisation of the loan/subsidy in such form and in such manner as may be prescribed by the Director of Agriculture, Madhya Pradesh, in his behalf.**

**10. The Mortgagor shall at all times during the continuance of this security, keep in good condition the said property as a security for the loan/subsidy.**

**11. The Mortgagor hereby covenants that he shall not transfer the said property or create any encumbrance thereon until the loan subsidy due hereunder is paid in full, with interest due thereon.**

**12. In regard to the interpretation and enforcement of the said rules, the decision of the..... shall be final and binding on the parties.**

**13. If any dispute shall arise between the parties hereto in respect of this deed or any of the provisions herein contained, or anything arising here out, except in respect of the matters on which decision of ..... is herein before declared to be final, the same shall be referred to the arbitration of the Secretary to Government of Madhya Pradesh, Agriculture Department, and his decision thereon shall be final and binding on the parties.**

**14. Any sum falling due from the Mortgagor under this deed may be recovered from it as an arrear of land revenue.**



## Schedule

It witness where of the parties hereto have signed this deed on the date and year mentioned in each case.

Witnesses- .....

1..... Signature of Mortgagor

2..... Dated.....

Witnesses- .....

1..... Signature of.....

2..... on behalf of the Governor of Madhya Pradesh

Dated.....