

**FORTY-EIGHTH REPORT
COMMITTEE ON PETITIONS
(SEVENTEENTH LOK SABHA)**

MINISTRY OF COOPERTATION

(Presented to Lok Sabha on 24.03.2023)



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2023/Chaitra, 1945 (Saka)

CPB NO. 1 Vol. XLVIII

© 2023 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Sixteenth Edition).

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE ON PETITIONS	(ii)
INTRODUCTION.....	(iii)

REPORT

Action Taken by the Government on the recommendations made by the Committee on Petitions (Seventeenth Lok Sabha) in their Thirty-Third Report on the representation of Shri Kailash Gorakh Patil, Chairman, Chopda Taluka Shetkari Sahakari Sootgirmi Maryadit, Chopda, Jalgaon (Maharashtra) requesting for release of subsidy, restructure of loans, providing additional working capital from National Cooperative Development Corporation (NCDC) and completion of inspection, etc.	1
---	---

ANNEXURES

(i) National Cooperative Development Corporation (NCDC) Letter dated 31.03.2022.	17
(ii) National Cooperative Development Corporation (NCDC) Letter dated 11.09.2020.	20
(iii) Tapi Shetkari Sahakari Sootgirmi Maryadit, Chopda Letter dated 20.10.2022.	22
(iv) National Cooperative Development Corporation (NCDC) Inspection Report.	23

APPENDIX

Minutes of the 28 th sitting of the Committee on Petitions held on 23.02.2023.	
---	--

COMPOSITION OF THE COMMITTEE ON PETITIONS

Shri Harish Dwivedi - *Chairperson*

MEMBERS

2. Shri Anto Antony
3. Shri Hanuman Beniwal
4. Prof. Sanjay Sadashivrao Mandlik
5. Shri P. Ravindhranath
6. Dr. Jayanta Kumar Roy
7. Shri Brijendra Singh
8. Shri Sunil Kumar Singh
9. Shri Sushil Kumar Singh
10. Shri Manoj Kumar Tiwari
11. Shri Prabhubhai Nagarbhai Vasava
12. Shri Rajan Baburao Vichare
13. Vacant
14. Vacant
15. Vacant

SECRETARIAT

1. Shri T.G. Chandrasekhar - Additional Secretary
2. Shri Raju Srivastava - Director
3. Shri Anand Kumar Hansda - Assistant Executive Officer

**FORTY-EIGHTH REPORT OF THE COMMITTEE ON PETITIONS
(SEVENTEENTH LOK SABHA)**

INTRODUCTION

I, the Chairperson, Committee on Petitions, having been authorised by the Committee to present on their behalf, this Forty-Eighth Report (Seventeenth Lok Sabha) of the Committee to the House on the Action Taken by the Government on the recommendations made by the Committee on Petitions (Seventeenth Lok Sabha) in their Thirty-Third Report on the representation of Shri Kailash Gorakh Patil, Chairman, Chopda Taluka Shetkari Sahakari Sootgiri Maryadit, Chopda, Jalgaon (Maharashtra) requesting for release of subsidy, restructure of loans, providing additional working capital from National Cooperative Development Corporation (NCDC) and completion of inspection, etc.

2. The Committee considered and adopted the draft Forty-Eighth Report at their sitting held on 23 March, 2023.

3. The observations/recommendations of the Committee on the above matters have been included in the Report.

NEW DELHI;

**HARISH DWIVEDI
Chairperson,
Committee on Petitions**

23 March, 2023

02 Chaitra, 1945 (Saka)

REPORT

ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS MADE BY THE COMMITTEE ON PETITIONS (SEVENTEENTH LOK SABHA) IN THEIR THIRTY THIRD REPORT ON THE REPRESENTATION RECEIVED FROM SHRI KAILASH GORAKH PATIL, CHAIRMAN, CHOPDA TALUKA SHETKARI SAHAKARI SOOTGIRNI MARYADIT, CHOPDA, JALGAON (MAHARASHTRA) REQUESTING FOR RELEASE OF SUBSIDY, RESTRUCTURING OF LOANS, PROVIDING ADDITIONAL WORKING CAPITAL FROM NATIONAL COOPERATIVE DEVELOPMENT CORPORATION (NCDC) AND COMPLETION OF INSPECTION, ETC.

The Committee on Petitions (Seventeenth Lok Sabha) presented their Thirty Third Report to Lok Sabha on 2 August, 2022 on the representation received from Shri Kailash Gorakh Patil, Chairman, Chopda Taluka Shetkari Sahakari Sootgiri Maryadit, Chopda, Jalgaon (Maharashtra) requesting for release of subsidy, restructure of loans, providing additional working capital from National Cooperative Development Corporation (NCDC) and completion of inspection, etc.

2. The Committee had made certain observations/recommendations in the matter and the Ministry of Cooperation were asked to implement the recommendations and requested to furnish their action taken notes thereon for further consideration of the Committee.

3. Action Taken Notes have since been received from the Ministry of Cooperation in respect of all the observations/recommendations contained in the aforesaid Report. The recommendations made by the Committee and the replies furnished thereto by the Ministry of Cooperation are detailed in the succeeding paragraphs.

4. In paragraphs 17 and 18 of the Report, the Committee had observed/recommended as follows:-

Expediting the release of subsidy under Central Sector Integrated Scheme on Agricultural Cooperation (CSISAC).

"The Committee while meticulously examining the representation of Shri Kailash Gorakh Patil vis-a-vis the comments furnished by the Ministry of Agriculture & Farmers Welfare (Department of Agriculture, Cooperation & Farmers Welfare)/ Ministry of Cooperation and the National Cooperative Development Corporation (NCDC), note that the Tapi Shetkari Sahakari Sootgirni Limited (formerly known as Chopda Taluka Shetkari Sahakari Soot Girni Maryadit), District Jalgaon, Maharashtra is a Growers' Cooperative Spinning Mill registered in the year, 1991, which is located in the cotton growing region of Maharashtra State, i.e., North Maharashtra. The said Cooperative Society had decided to establish new spinning mill and initially raised contribution of ₹3.00 crore from its members and got ₹21.72 crore as 'Share Capital' from the State Government (upto 2015) for the purpose. In the year, 2016, the Society had approached the NCDC for balance financial assistance to establish new Spinning Mill of 25,920 spindles capacity. Consequently, in July 2016, the NCDC, with the approval of its Board of Management (BOM) in its 197th meeting held on 27.06.2016, sanctioned financial assistance of ₹57.28 crore comprising ₹44.00 crore as term loan and ₹13.28 crore as CSISAC subsidy to the Society for establishment of new Spinning Mill of 25,920 spindles at a total project cost of ₹88.55 crore. However since the CSISAC subsidy was not available at the time of release of term loan, to keep up the continuity of implementation of the 'Project', on the request of the Society, an amount of ₹11.36 crore was provided as loan in lieu of subsidy. In this regard, the Committee further note that as on 18.12.2020, out of the total sanctioned CSISAC subsidy of ₹13.28 crore, eligible subsidy of ₹13.13 crore was already disbursed to the Society. However, the balance subsidy amount of ₹0.15 crore would be considered on submission of final expenditure statement and the Project Completion Report by the Society and subject to availability of funds.

As regards disbursement of CSISAC subsidy to the Society under reference, the Committee, after painstakingly going through the above chronology of events, are dismayed to note that the CSISAC subsidy was though sanctioned to the Society in the year 2016 itself, however, till 21.09.2020, only ₹3.23 crore was disbursed out of the sanctioned amount of ₹13.28 crore, that too as loan in lieu of the subsidy. The Committee also note with concern that it was only after the representationist, Shri Kailash Gorakh Patil approached the

Committee on Petitions, Lok Sabha with the request, ₹9.90 crore as CSISAC subsidy was disbursed to the Society. As per the information furnished by the Ministry, the Committee take note of the fact that out of the approved capacity of 25,920 spindles, the Society has attained the capacity of producing 17,280 spindles and also started commercial production on 24.03.2017 and soon thereafter added 4,320 spindles on 29.02.2020. Furthermore, the Society has already installed all machinery and equipment for producing 25,920 spindles. In such a scenario, it is incomprehensible to the Committee as to what deters the Government to release the full CSISAC subsidy amount to the Society. The Committee, therefore, strongly recommend the Ministry of Cooperation/National Cooperative Development Corporation (NCDC) to immediately release the balance ₹0.15 crore amount on account of CSISAC subsidy to the Society."

5. The Ministry of Cooperation, in their action taken reply, have submitted as follows:-

"National Cooperative Development Corporation (NCDC) vide letter no. NCDC: 20-3/2016-Text/493/RB10504 dated 31.03.2022 (Annexure-I) has already disbursed balance CSISAC subsidy of ₹0.15 crore and accordingly, the entire sanctioned CSISAC subsidy of ₹13.28 crore for the Project was already disbursed to the Society."

6. In paragraphs 19, 20 and 21 of the Report, the Committee had observed/recommended as follows:-

Increasing moratorium period in respect of outstanding loans and repayment tenure to 10 years

"Based on the information furnished by the Ministry of Agriculture & Farmers Welfare (Department of Agriculture, Cooperation & Farmers Welfare)/ Ministry of Cooperation, the Committee note that in February 2017, NCDC had sanctioned Working Capital (WC) loan of ₹15.00 crore to the Society for a period of 5 years, subject to renewal, on yearly basis, based on the financial/operational performance. The WC loan facility was renewed upto 16.12.2018. However, WC facility was not renewed beyond 16.12.2018 due to

deterioration in financial position as also the alleged default by the Society in repayment of term loan instalment(s), w.e.f., 05.03.2019 and the working capital loan instalments, w.e.f., 22.02.2019. The Society made part payment of ₹2.45 crore upto 16.03.2020 and submitted request for rescheduling/restructuring of outstanding loans along with interest vide letter dated 20.03.2020. Based on examination and further scrutiny, by following the prudent lending norms, NCDC vide letter No. NCDC: 20-3/2016-Text dated 11.09.2020 conveyed the approval for rescheduling/ restructuring of outstanding loans. Consequently, the entire overdue/outstanding NCDC dues of ₹73.37 crore comprising term loan of ₹49.69 crore and working capital loan of ₹10.49 crore and interest payable of ₹13.19 crore, for the period of 8 years (i.e., repayable in 16 half yearly instalments payable on 5th March and 5th September of every year, w.e.f. 05.03.2021). After re-scheduling/restructuring, instalment due payable by the Society on 05/03/2021 was adjusted through disbursement of CSISAC subsidy of ₹9.90 crore from the Government of India. Subsequently, the Society made part payment of ₹3.10 crore and defaulted in repayment of instalment due on 05.09.2021. A team of NCDC officials visited the Society on 29.10.2021 to study its operational issues and lend helping hand in preparation of action plan for mitigating its overdue. Thereafter, the Society has submitted its action plan for clearing the entire NCDC over dues by 15.11.2021. However, the Society could not fulfil its promise. As on 07.04.2022, the Society had made a total part payment of ₹8.58 crore and accordingly, as on 13.04.2022, the total overdue is ₹8.49 crore comprising principal of ₹6.70 crore & interest of ₹1.79 crore and loan outstanding is ₹66.31 crore.

In the wake of the Covid-19 pandemic and intermittent lockdowns, the Government of India had taken various policy initiatives, particularly for MSME sector, such as waiver of interest, restructuring of loans, grant of moratorium period, etc., to mitigate the adverse economic impact. In this regard, the Committee also intend to place on record the findings of a recent study conducted by the National Small Industries Corporation (NSIC) and Khadi & Village Industries Commission (KVIC) to assess the impact of COVID-19 pandemic on MSMEs, which inter alia revealed that amongst the five most critical areas, viz., Liquidity, Fresh Orders, Labour, Logistics and availability of raw material faced by the MSMEs, the 'availability of liquidity' is the major problem being faced by 55 per cent of the Units. Juxtaposition of the said

startling findings with the overall performance of Society, i.e., the Chopda Taluka Shetkari Sahakari Soot Girmi Maryadit, the Committee are of considered view that the Society share the distinction of providing direct employment to more than 400 people of the region along with giving an uninterrupted source of livelihood to more than 11,300 cotton-growing farmers who are also the members of the Society. Besides, the Society has also stood as a harbinger by way of creating opportunities for indirect employment to tens of thousands of poor denizens of the region. Therefore, the Committee feel that commercial activities of Chopda Taluka Shetkari Sahakari Soot Girmi Maryadit which substantially contracted due to pre-and-post Covid-19 scenario need to be sympathetically considered by the Government by way of extending all possible help to them so that they could overcome the perils of sustainability.

Keeping in view the operational difficulties being faced by the Society, the Committee, therefore, strongly recommend that the Ministry of Cooperation/NCDC should expeditiously consider the request of the Society to extend the moratorium period for repayment of loan and explore the possibility to reschedule/restructure the existing loan to overcome their operational problems."

7. The Ministry of Cooperation, in their action taken reply, have submitted as follows:-

"NCDC vide letter dated 11.09.2020 (Annexure-II) already restructured the entire outstanding loans including working capital loan along with capitalization of interest.

However, the society defaulted again. Considering the recommendation of the Parliamentary Committee, NCDC team visited the society during 19.10.2022 to 21.10.2022 to assess the ground reality. Based on the detailed deliberation of NCDC team had with the officials of the society, society vide letter dated 20.10.2022 (Annexure-III) has agreed to pay principal of ₹4.58 crore and interest of ₹6.28 crore plus interest thereon till the date of actual payment and then submit a request to NCDC to defer the principal overdue of ₹6.70 crore by distributing it equally among the remaining 12 instalment dues."

8. In paragraphs 22 and 23 of the Report, the Committee had observed/recommended as follows:-

Providing additional Working Capital loan

"The Committee note with disappointment that the request of the Society for sanction and release of additional Working Capital loan has been out rightly rejected by the Ministry of Cooperation on the following grounds:-

- (i) The Society defaulted in repayment of term loan and Working Capital Loan;*
- (ii) On the specific request of the Society, the entire overdue amount has been re-structured and rescheduled by NCDC vide letter No. NCDC: 20-3/2016-Text dated 11.09.2020;*
- (iii) As per restructured loan package, Working Capital of ₹10.49 crore has been capitalized and restructured and hence the said amount is available with the Society for meeting its day-to-day business operations; and*
- (iv) The Society has again defaulted in repayment of rescheduled/restructured loan.*

In lieu of the reluctance of Ministry of Cooperation in providing an additional working capital of ₹10 crore, it has been informed that NCDC could consider allowing the Society to create 'Subservient Charge' on its assets for availing working capital loan from any other source(s), subject to clearance of overdue interest by the Society. Keeping in view the developmental need of the Society for its revival and making it financially viable in these difficult times when the entire economy of the country is again on the trajectory of robust revival, the Committee strongly recommend the Ministry of Cooperation/NCDC to sympathetically consider the request of the Society, Chopda Taluka Shetkari Sahakari Soot Girni Maryadit, to provide them the additional Working Capital of ₹10 crore, to overcome their operational problems."

9. The Ministry of Cooperation, in their action taken reply, have submitted as follows:-

"National Cooperative Development Corporation (NCDC) is a statutory body constituted under National Co-operative Development Corporation Act, 1962 and is under the administrative control of Ministry of Cooperation. Financial support to the cooperative societies is assessed and disbursed by the NCDC in line with the Act and Rules made thereof.

Further, as the society has defaulted and does not fulfil direct funding norms of NCDC, it is not eligible for further assistance from NCDC.

However, considering the recommendation of the Parliamentary Committee, team of NCDC officials visited the Society during 19.10.2022 to 21.10.2022 to understand the operational difficulties of the Society. Based on the detailed discussion of NCDC team had with the officials of the society, society vide letter dated 20.10.2022 (Annexure-III) indicated that it will raise working capital from banks against second charge on the fixed assets of the Society (presently mortgaged with NCDC on first charge) and in this regard, the Society will furnish copy of the conditional sanction order from bank, to NCDC for considering issuance of NOC."

10. In paragraphs 24, 25 and 26 of the Report, the Committee had observed/recommended as follows:-

Completion of 'Technical Inspection' of the Unit for availing the State Government subsidy and expeditious issue of Form 'C' to the Society

"The Committee are given to understand that Technical Inspection of the Unit(s) under the Cooperative Spinning Mill located in the State of Maharashtra, is being conducted by the NCDC, as per requirements of the Government of Maharashtra Scheme, subject to clearance of NCDC over dues and loan account being treated as 'standard', subject to submission of the following documents:-

- (a) Component-wise actual expenditure incurred by the Society supported with CA certified statement along with sources of funds;*
- (b) Component-wise physical progress in implementation of Project; and*

(c) *Project Completion Report.*

The Committee were further informed by the Ministry of Cooperation that the Government of Maharashtra has adopted the Textile Policy for supporting textile sector by extending capital subsidy to the spinning mills. As per the Scheme Guidelines, defaulting Unit(s) are not eligible for subsidy/grant. Although, the NCDC vide its letter dated 11.09.2020 has re-scheduled/restructured outstanding loans of the Society, it has defaulted in repayment of installment due on 05.09.2021 and hence the loan account of the Society was treated as 'irregular'.

In this regard, the Committee note of the fact that the Society, in question, has already completed the Project; however, they are yet to submit the requisite documents for inspection of the Spinning Mill Unit(s) to be conducted by the NCDC. Further, the Committee have been informed by the Ministry of Cooperation that a team of NCDC officials had visited the Society on 29.10.2021 to study its operational issues and lend a helping hand in preparation of 'Action Plan' for mitigating its over dues. In this context, the Committee hold the view that the NCDC has already gathered the reliable inputs regarding functional status as well as the financial problems being faced by the Cooperative Society, in question. Moreover, as a matter of fact, the Society has already made part payment of ₹8.58 crore against the re-scheduled/restructured outstanding loan as on 07.04.2022 and the total overdue amount is a meager ₹8.49 crore, which stands as a testimony that the Society has been repaying to the NCDC against their term loan and the Working Capital Loan gradually and it is not a fictitious Society/Company being run only on paper. Considering the above facts, the Committee recommend to the Ministry of Cooperation/ NCDC to help out the Society for submitting the required documents so that inspection of its Spinning Mill Unit(s) are initiated at the earliest along with expeditious issuing of Form 'C' so as to enable them to avail the State Government subsidy without any further delay."

11. The Ministry of Cooperation in their action taken reply, have submitted as follows:-

"As per Government of Maharashtra scheme, defaulting units cannot claim capital subsidy from State Government.

However, considering the recommendation of the Parliamentary Committee, team of NCDC officials visited the Society during 19.10.2022 to 21.10.2022 and conducted technical inspection of the installed machinery as per requirements of the scheme of Government of Maharashtra. Inspection Report (Annexure-IV) has been provided to the Society so that the Society can pursue with the State Government for availing the subsidy benefits as per scheme guidelines."

OBSERVATIONS/RECOMMENDATIONS

Timely release of subsidy under Central Sector Integrated Scheme on Agricultural Cooperation (CSISAC) and other such Centrally Sponsored Schemes

12. The Committee while examining the issues raised in the representation of Shri Kailash Gorakh Patil were dismayed to note that the subsidy under the CSISAC was though sanctioned to the Society in the year 2016 itself, however, till 21.09.2020, only a sum of ₹3.23 crore was disbursed out of the sanctioned amount of ₹13.28 crore, that too as loan amount in lieu of the sanctioned subsidy. Later on, ₹9.90 crore as CSISAC subsidy was also disbursed to the Society. In this connection, the Committee had also taken note of the fact that out of the approved capacity of 25,920 spindles, the Society had attained the capacity of producing 17,280 spindles and had also started commercial production on 24.03.2017 and soon thereafter, had again added 4,320 spindles on 29.02.2020. The Society, in question, had already installed all machinery and equipment for producing 25,920 spindles in totality. The Committee had therefore, recommended the Ministry of Cooperation and National Cooperative Development Corporation (NCDC) to immediately release the balance ₹0.15 crore amount on account of CSISAC subsidy to the Chopda Taluka Shetkari Sahakari Sootgirni Maryadit.

13. In response to the above recommendation of the Committee, the Ministry of Cooperation, in their action taken reply, have submitted that the National Cooperative Development Corporation *vide* its letter No. NCDC: 20-3/2016-

Tex/493/RB10504 dated 31.03.2022 had already disbursed the balance CSISAC subsidy of ₹0.15 crore and accordingly, the entire sanctioned CSISAC subsidy of ₹13.28 crore for the Project was disbursed to the Society.

14. The Committee though acknowledge that the entire sanctioned CSISAC subsidy amount of ₹13.28 crore for the Project undertaken by the Society under reference has now been disbursed by the NCDC, it is matter of concern that the disbursement of the entire subsidy amount has been possible only after the representationist, Shri Kailash Gorakh Patil preferred to approach the Committee on Petitions, Lok Sabha with such request and consequent intervention of the Committee. The Committee are of the strong opinion that since the Cooperative Societies are operated mostly in the rural areas and invariably involve the agricultural sector, the Government is expected to act as an effective and significant facilitator for the Societies by ensuring timely disbursement of financial aid through subsidy and other such applicable grants/funds thereby reaping the benefits of vibrant Cooperative Movement in terms of poverty alleviation and reducing inequality by providing employment to the local populace. In this context, the Committee hope and trust that the Ministry of Cooperation would take all appropriate and necessary measures for ensuring timely disbursement of subsidy/financial aids under CSISAC and other such Centrally Sponsored Schemes through NCDC and other such Organisations under their administrative control in order to implement the mantra of '*Sahakari se Samriddhi*'.

Increasing moratorium period in respect of outstanding loans and rescheduling repayment tenure

15. Keeping in view the operational difficulties being faced by the Society under reference due to pre-and-post Covid-19 scenario and its adverse economic impact, the Committee had recommended that the Ministry of Cooperation/NCDC should expeditiously consider the request of the Society to extend the moratorium period for repayment of loan and explore the possibility to reschedule/restructure the existing loan to overcome their operational problems.

16. In response to the above recommendation, the Ministry of Cooperation, in their action taken reply, have submitted that NCDC *vide* their letter dated 11.09.2020 had already restructured the entire outstanding loans of the Society including working capital loan along with capitalization of interest. Further, while considering the recommendation of the Parliamentary Committee on Petitions, NCDC team had visited the Society from 19.10.2022 to 21.10.2022 to assess the ground reality and based on the detailed deliberation of NCDC team with the officials of the Society, the Society *vide* their letter dated 20.10.2022 had agreed to pay principal amount of ₹4.58 crore and interest amount of ₹6.28 crore till the date of actual payment. Further, the Society had to submit a request to NCDC to defer the principal overdue of ₹6.70 crore by distributing it equally among the remaining 12 instalments due.

17. The Committee are happy to note that the NCDC team had visited the Society during the month of October, 2022 to assess the ground reality of the

Society at the behest of the Committee on Petitions and after undertaking a detailed deliberation with the officials of the Society, the 'terms of overdue payment' were finalised. The Committee are of the opinion that the Ministry of Cooperation should ensure that the NCDC and other such Organisations under their administrative control, which act as financing/lending institutions, should have the prudent knowledge of financial need pattern of the Cooperative Societies. Further, they should also be able to acknowledge the problems being faced by all such Societies in times of exigent financial distress and help out them in resolving their grievances in order to achieve their full-fledged capacity in terms of production and also to utilize their total manpower hired in a non-restrictive environment. The Committee, in this context, hope that the Ministry of Cooperation/NCDC would ensure that the measures such as increasing moratorium period, rescheduling repayment tenure in respect of outstanding loans, etc., are taken in the right earnest to help out the aggrieved Cooperative Societies to arrest the situation of financial distress.

Providing additional Working Capital loan

18. Keeping in view the developmental needs of the Society for its revival and making it financially viable in difficult times when the entire economy of the country is again on the trajectory of robust revival in post pandemic situation, the Committee had strongly recommended the Ministry of Cooperation/NCDC to sympathetically consider the request of the Society, i.e., the Chopda Taluka Shetkari Sahakari Soot Girni Maryadit, to provide them the additional Working Capital of ₹10 crore, to overcome their operational problems.

19. Pursuant to the above recommendation, the Ministry of Cooperation, in their action taken reply, have submitted that financial support to the Cooperative Societies is assessed and disbursed by the NCDC in line with the NCDC Act, 1962 and Rules made thereunder. Further, as the Society, in question, has defaulted and does not fulfil direct funding norms of NCDC, they are not eligible for further assistance from NCDC. However, considering the recommendation of the Parliamentary Committee on Petitions, a team of NCDC officials had visited the Society from 19.10.2022 to 21.10.2022 to understand the operational difficulties being faced by the Society. Based on the detailed discussion of NCDC team with the officials of the Society, the Society *vide* their letter dated 20.10.2022 indicated that it would raise Working Capital from the Banks against second charge on their fixed assets (presently mortgaged with NCDC on first charge) and would furnish a copy of the conditional sanction order (to be obtained from the Bank) to the NCDC for consideration of issuing the requisite NOC.

20. The Committee are happy to note that in pursuance of their recommendation, the NCDC took the much-awaited initiative to enter into a structured discussion with the officials of the Society, wherein, it was agreed to by the Society that it would raise 'Working Capital Loan' from the Banks against second charge on the fixed assets of the Society. In this regard, the Committee expect that the Ministry of Cooperation/NCDC would ensure the issuance of necessary NOC to the Society after furnishing the conditional sanction order

for Working Capital from the Bank concerned. The Committee would like to be apprised of the updated status in this regard.

Issuing Form 'C' to the Society and providing subsidy under the State Government Scheme

21. The Committee had recommended to the Ministry of Cooperation/NCDC to help out the Society for submitting the required documents for inspection of its Spinning Mill Unit(s) so that the inspection is initiated at the earliest along with an expeditious issuing of Form 'C' so as to enable them to avail the State Government subsidy.

22. In reply to the above recommendation, the Ministry of Cooperation have submitted that as per the Government of Maharashtra Scheme, defaulting Units cannot claim capital subsidy from the State Government. However, considering the recommendation of the Parliamentary Committee on Petitions, a team of NCDC officials had visited the Society from 19.10.2022 to 21.10.2022 and conducted technical inspection of the installed machinery as per requirements of the Scheme of Government of Maharashtra and subsequently, Inspection Report had been provided to the Society so that it can pursue with the State Government for availing the subsidy benefits as per Scheme Guidelines.

23. The Committee appreciate the efforts of the Ministry of Cooperation/NCDC that in pursuance of the Committee's recommendation, a team of NCDC officials visited the Society during October, 2022 and

conducted an on-the-spot technical inspection and verification of the installed machinery at Tapi Shetkari Sahakari Sootgirni Limited (*formerly known as Chopda Taluka Shetkari Sahakari Soot Girni Maryadit*), Jalgaon, Maharashtra as per requirements of the Scheme of the Government of Maharashtra and Inspection Report thereon has been provided to the Society so as to enable them to pursue the matter with the State Government for availing the subsidy benefits. However, the Committee, in this regard, would like the Ministry of Cooperation/NCDC to ensure that there should not be any technical and procedural lacunae and/or delay in furnishing the Inspection Report to the Society in question and to help them to avail the subsidy benefit from the State Government of Maharashtra, in a hassle-free manner. The Committee would like to be apprised of the updated status in this regard.

NEW DELHI;

HARISH DWIVEDI
Chairperson,
Committee on Petitions

23 March, 2023
02 Chaitra, 1945 (Saka)



NCDC
Assisting Cooperatives. Always!

राष्ट्रीय सहकारी विकास निगम

Annex-I

NATIONAL COOPERATIVE DEVELOPMENT CORPORATION

An ISO-9001:2015 Certified Organization

A Statutory Corporation Under the Ministry of Cooperation,

Government of India

Textile Division

Tel.No. 011-26961930

Fax : 011-26961930, 26516032

E-mail: textile@ncdc.in

4-Siri Institutional Area,

Hauz Khas, New Delhi-110016 India

Website: www.ncdc.in

No. NCDC: 20-3/2016-Text/493/RB10504

Dated: 31/03/2022

To

The Chairman,
Tapi Shetkari Sahakari Soot Gimi Limited,
Krushi Utpanna Bazar Samiti Awar, Taluk Chopda,
District Jalgaon, Maharashtra – 425107

Sub: Release of financial assistance to Tapi Shetkari Sahakari Soot Gimi Limited (Erstwhile Chopda Taluka Shetkari Sahakari Soot Gimi Limited), District Jalgaon, Maharashtra for establishment of new Spinning Mill under Central Sector Integrated Scheme on Agriculture Cooperation (CSISAC) through direct funding – Regarding.

Sir,

I am directed to refer to NCDC sanction letter No. NCDC: 20-3/2016-Text/64/SA60041 dated 06/07/2016 and NCDC latest release letter No. NCDC:20-3/2016-Text/260/RB00275 dated 18/12/2020 vide which NCDC has so far disbursed Term Loan of ₹4400.00 lakh, CSISAC subsidy of ₹1312.95 lakh and Interest bearing loan in lieu of subsidy of ₹988.525 lakh to Tapi Shetkari Sahakari Soot Gimi Limited for establishment of new spinning mill as CSISAC subsidy was not available at the time of release. Since NCDC has received CSISAC subsidy from Gol now, I am directed to convey the approval of this Corporation for payment of balance eligible CSISAC subsidy of ₹15.30 lakh (comprising ₹13.692 lakh under general category, ₹1.104 lakh under SCSP category & ₹0.504 lakh under TSP category) to Tapi Shetkari Sahakari Soot Gimi Limited, District Jalgaon, Maharashtra.

2. The CSISAC subsidy amount of ₹15.30 lakh (Rupees Fifteen Lakh Thirty Thousand only) is being adjusted against the overdue amount payable by Tapi Shetkari Sahakari Soot Gimi Limited as the society has defaulted in repayment of installment dues payable on 05/09/2021 & 05/03/2022.
3. The release of assistance sanctioned above shall be governed by the terms and conditions as contained in the sanction letter and annexure to this letter. The other terms and conditions shall, however, remain the same as communicated vide this Corporation's letter No. NCDC:1-1/84-Budt. dated 15.10.1984 and No. NCDC:1-1/90-Budt. dated 07/10/2021 and as amended from time to time.
4. The validity of sanction is extended upto 30/04/2022 for the purpose of disbursement of subsidy.

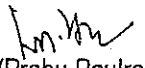
Yours faithfully,

(Prabu Paulraj)
Director (Textile)

रक्ष विभाग
Textile Division
संख्या सं./Despatch No. - 4 (957)
दिनांक/Date 31/03/2022

Copy to:

1. Secretary to the Government of India, Ministry of Cooperation, Krishi Bhawan, New Delhi – 110001.
2. The Under Secretary (Cooperation), DAC&FW, Ministry of Agriculture & Farmers Welfare, Krishi Bhawan, New Delhi – 110001.
3. The Regional Director, NCDC, Pune.
4. The Director (Loan), NCDC, New Delhi – with a request to adjust CSISAC subsidy of ₹15.30 lakh (Rupees Fifteen Lakh Thirty Thousand only) against the overdue amount payable, on the date of issue of this letter, by Tapi Shetkari Sahakari Soot Gini Limited, District Jalgaon, Maharashtra by way of release & recovery. After adjustment, revised demand note for payment of balance overdue amount payable by the society be raised.
5. The Assistant Director (Budget), NCDC, New Delhi.


(Prabu Paulraj)
Director (Textile)

NATIONAL COOPERATIVE DEVELOPMENT CORPORATION
(Textile Division)

Annexure to Financial Release Letter No.NCDC: 20-3/2016-Text/493/RB10504 dated 31/03/2022

1	Name of the Borrower	Tapi Shetkari Sahakari Soot Girmi Limited (Formerly Chopda Taluka Shetkari Sahakari Sootgirmi Maryadit), District Jalgaon, Maharashtra																																	
2	Amount sanctioned by NCDC	<table border="1" style="width: 100%;"> <tr> <td>Term Loan</td> <td>4400.00</td> </tr> <tr> <td>CSISAC Subsidy</td> <td>1328.25</td> </tr> <tr> <td>Total</td> <td>5728.25</td> </tr> </table>				Term Loan	4400.00	CSISAC Subsidy	1328.25	Total	5728.25																								
Term Loan	4400.00																																		
CSISAC Subsidy	1328.25																																		
Total	5728.25																																		
3	Amount so far released by NCDC.	<table border="1" style="width: 100%;"> <tr> <td>Term Loan</td> <td>4400.000</td> </tr> <tr> <td>CSISAC Subsidy</td> <td>1312.950</td> </tr> <tr> <td>Interest bearing loan in lieu of subsidy</td> <td>988.525#</td> </tr> <tr> <td>Total</td> <td>6701.475#</td> </tr> </table>				Term Loan	4400.000	CSISAC Subsidy	1312.950	Interest bearing loan in lieu of subsidy	988.525#	Total	6701.475#																						
Term Loan	4400.000																																		
CSISAC Subsidy	1312.950																																		
Interest bearing loan in lieu of subsidy	988.525#																																		
Total	6701.475#																																		
4	Amount being released under this letter	<p>CSISAC Subsidy: ₹15.30 lakh comprising ₹13.692 lakh under general category, ₹1.104 lakh under SCSP category & ₹0.504 lakh under TSP category. [This subsidy amount is being adjusted against the overdue amount payable by Tapi Shetkari Sahakari Soot Girmi Limited on the date of issue of this letter]</p>																																	
5	Progressive release including (4) above	<table border="1" style="width: 100%;"> <tr> <td>Term Loan</td> <td>4400.000</td> </tr> <tr> <td>CSISAC Subsidy</td> <td>1328.250</td> </tr> <tr> <td>Interest bearing loan in lieu of subsidy</td> <td>988.525#</td> </tr> <tr> <td>Total</td> <td>6716.775#</td> </tr> </table>				Term Loan	4400.000	CSISAC Subsidy	1328.250	Interest bearing loan in lieu of subsidy	988.525#	Total	6716.775#																						
Term Loan	4400.000																																		
CSISAC Subsidy	1328.250																																		
Interest bearing loan in lieu of subsidy	988.525#																																		
Total	6716.775#																																		
6	Details of progressive release of subsidy as per membership in the society	<table border="1" style="width: 100%;"> <thead> <tr> <th>Description</th> <th>SC</th> <th>ST</th> <th>Others</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Membership (%)</td> <td>7.23</td> <td>3.29</td> <td>89.48</td> <td>100</td> </tr> <tr> <td>Eligible subsidy under said category based on actual eligible expenditure incurred so far</td> <td>96.030</td> <td>43.700</td> <td>1188.520</td> <td>1328.25</td> </tr> <tr> <td>Subsidy released so far under the said category</td> <td>94.926</td> <td>43.196</td> <td>1174.828</td> <td>1312.95</td> </tr> <tr> <td>Subsidy being released under this letter to said category</td> <td>1.104</td> <td>0.504</td> <td>13.692</td> <td>15.30</td> </tr> <tr> <td>Progressive release of subsidy under said category including above</td> <td>96.030</td> <td>43.700</td> <td>1188.520</td> <td>1328.25</td> </tr> </tbody> </table>				Description	SC	ST	Others	Total	Membership (%)	7.23	3.29	89.48	100	Eligible subsidy under said category based on actual eligible expenditure incurred so far	96.030	43.700	1188.520	1328.25	Subsidy released so far under the said category	94.926	43.196	1174.828	1312.95	Subsidy being released under this letter to said category	1.104	0.504	13.692	15.30	Progressive release of subsidy under said category including above	96.030	43.700	1188.520	1328.25
Description	SC	ST	Others	Total																															
Membership (%)	7.23	3.29	89.48	100																															
Eligible subsidy under said category based on actual eligible expenditure incurred so far	96.030	43.700	1188.520	1328.25																															
Subsidy released so far under the said category	94.926	43.196	1174.828	1312.95																															
Subsidy being released under this letter to said category	1.104	0.504	13.692	15.30																															
Progressive release of subsidy under said category including above	96.030	43.700	1188.520	1328.25																															
7	Scheme under which the funds is being released.	Under Component-II of CSISAC Scheme – Assistance to Cooperative Spinning Mills.																																	
8	Activity	Textile																																	

CSISAC subsidy is not adjusted against interest bearing loan in lieu of subsidy as this loan has already been capitalized as a part of reschedulement / restructuring package conveyed vide NCDC letter No. NCDC: 20-3/2016-Text dated 11/09/2020, which has since been accepted by the society through its Board resolution.



NCDC
Assisting Cooperatives. Always!

NATIONAL COOPERATIVE DEVELOPMENT CORPORATION
An ISO-9001:2015 Certified Organization
A Statutory Corporation Under the Ministry of Agriculture & Farmers Welfare,
Government of India

Textile Division

Tel.No. 011-26961930
Fax : 011-26961930, 26516032
E-mail: pprabu@ncdc.in

4-Siri Institutional Area,
HauzKhas, New Delhi-110016 India
Website: www.ncdc.in

No. NCDC: 20-3/2016-Text

Date: 11/09/2020

To

The Chairman,
Chopda Taluka Shetkari Sahakari Sootgirmi Maryadit,
Krushi Utpanna Bazar Samiti Awar,
Taluk Chopda, District Jalgaon, Maharashtra – 425107

Sub: Request of Chopda Taluka Shetkari Sahakari Sootgirmi Maryadit, District Jalgaon, Maharashtra for re-schedulement of its outstanding loans along with interest. – regarding

Ref: NCDC TL sanction letter no. NCDC: 20-3/2016-Text/64/SA60041 dated 06.07.2016 and WC loan sanction letter No.NCDC:24-8/2016-Text/291/SA60217 dated 15.02.2017

Sir,

I am directed to refer to your letter No. 06/20-21 dated 04.06.2020 and subsequent email messages, requesting NCDC for re-schedulement of outstanding term loan & working capital loan along with interest and to inform that the request of the society has been considered and examined.

2. Accordingly, I am directed to convey the approval of this Corporation for re-schedulement / restructuring of overdue/outstanding NCDC loans of ₹6017.86577 lakh comprising term loan of ₹4968.76854 lakh and working capital loan of ₹1049.09723 lakh along with capitalization of interest payable of ₹1318.63087 lakh as on 23.06.2020 comprising overdue interest of ₹1192.69625 lakh and interest not yet due of ₹125.93462 lakh, for the period of 8 years (i.e., repayable in 16 half yearly installments payable on 5th March & 5th September of every year w.e.f. 05/03/2021) on the following terms and conditions:

- a) Re-schedulement shall be effective from 23/06/2020. After rescheduling / restructuring, total outstanding term loan is ₹7336.49664 lakh and the applicable effective rate of interest is 10.96 % p.a. on monthly compounding basis (Calculated on weighted average). Accordingly, the revised repayment reschedule is as under:

S. No.	Installment due date	Principal to be repaid (Amount in ₹)
1	5 th March 2021	45853000
2	5 th September 2021	45853000
3	5 th March 2022	45853000
4	5 th September 2022	45853000
5	5 th March 2023	45853000
6	5 th September 2023	45853000
7	5 th March 2024	45853000
8	5 th September 2024	45853000

Textil

No. III - 112 (9251)

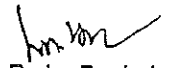
20

14/09/2020

S. No.	Installment due date	Principal to be repaid (Amount in ₹)
9	5 th March 2025	45853000
10	5 th September 2025	45853000
11	5 th March 2026	45853000
12	5 th September 2026	45853000
13	5 th March 2027	45853000
14	5 th September 2027	45853000
15	5 th March 2028	45853000
16	5 th September 2028	45854664
	Total	733649664

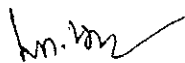
- b) The society shall pay principal dues as per revised repayment reschedule given above. In addition to the principal dues, the society shall pay interest accrued from the date of re-schedulement (i.e. 23/06/2020) upto 4th March 2021, on or before 5th March 2021 and continue to make payment of interest on 5th September & 5th March of every year, till the settlement of entire dues of NCDC;
- c) As the outstanding term loan is inclusive of interest bearing loan in lieu of subsidy, the CSISAC subsidy as and when received from DAC&FW and any other subsidy from Government of Maharashtra, will be adjusted in the ensuing installment due (or) if subsidy is in excess of installment due, it will be adjusted against outstanding term loan principal amount in such a way that the tail end of repayments would be advanced;
- d) In case, payment of installment is not received on or before due date, normal rate (effective+ 1%) i.e., 11.96% p.a. would be applicable. In case of default in payment of installment, penal interest @ 2.5% p.a. over and above the normal rate of interest shall be charged on the defaulted installment of principal amount for the period of default and the benefit of weighted average interest rate will be withdrawn. The other terms and conditions of loans shall remain the same as already communicated vide sanction letters at reference above; and
- e) The existing security for NCDC assistance shall continue without any dilution / alienation till the repayment of entire NCDC loans, interest, penal interest or other charges, if any.
3. The above reschedulement is subject to the condition that the society would bring in extra capital to their own funds linked to operational profits to service NCDC debts.
4. The society shall accept the revised repayment schedule on the above said terms & conditions and shall give an acknowledgement to this letter as a mark of acceptance.

Yours faithfully,


Prabu Paulraj
Director (Textile)

Copy to:

1. The Regional Director, NCDC, Pune.
2. The Chief Director (Loan cell), NCDC, New Delhi.
3. The Assistant Director (Budget), NCDC, New Delhi


Prabu Paulraj
Director (Textile)

Tapi Shetkari Sahakari Soot Girni Maryadit, Chopda

Reg. No. JGA/PRG/(A)/DH-6 Date 27.9.1991



General Manager

Mr. Vijay Patil

Mob. 8668310009

Email - maintchopdacotspin@gmail.com

Vice Chairman

Mr. Prabhiakar Bhimrao Patil

Mob. 9822207690

Chairman

Mr. Kailash Gorakh Patil (Ex.MLA)

Mob. 9850407696

Email - chopdacotspin2012@gmail.com

Address - Gat No. 72 to 82, At & Post: Akhatwade Tal. Chopda Dist. Jalgaon (Maharashtra) - 425107

Ref.

Date : / / 202

To,
The Managing Director,
National Cooperative Development Corporation,
Hauz Khas, New Delhi - 110 016.

Dated: 20-10-2022

Sub: Request for deferment of existing dues and permission to create second charge on assets.

Sir,

Sootgrini is facing liquidity crunch and unable to pay current overdue of Rs.17.57 Cr comprising Rs.11.29 Cr of principal and interest of Rs. 6.28 Cr.

2. Sootgirni has assured that they are trying to raise funds from Banks against second charge on the assets of the society, presently mortgaged with NCDC. For this purpose, Sootgirni will furnish a conditional sanction order from the Bank along with a request to issue NOC for creating second charge on assets of the society in favour of bank.

3. Further, sootgirni has proposed that they will pay Rs. 4.58 Cr principal and interest of Rs. 6.28 Cr plus interest thereon till the actual date of payment and will request for deferment of overdue principal of Rs. 6.70 Cr by distributing it equally in remaining 12 instalments. Sootgirni further undertakes to pay its installments due from March, 2023 on time.

Yours faithfully

(Kailash Gorakh Patil)

Chairman



Email

Report for the "on spot verification" of Tapi SSSG Ltd., District Jalgaon, Maharashtra, conducted on 20.10.2022 for assessing the eligible capital subsidy to be claimed from Government of Maharashtra - Regarding.

From : Textile Division <textile@ncdc.in>

Mon, Oct 31, 2022 08:20 PM

Subject : Report for the "on spot verification" of Tapi SSSG Ltd., District Jalgaon, Maharashtra, conducted on 20.10.2022 for assessing the eligible capital subsidy to be claimed from Government of Maharashtra - Regarding.

1 attachment

To : maintchopdacotspin <maintchopdacotspin@gmail.com>, chopdacotspin2012 <chopdacotspin2012@gmail.com>

Cc : RO Pune <ro.pune@ncdc.in>, Prabu Paulraj <pprabu@ncdc.in>, Ashutosh Shukla <ashutosh.shukla@ncdc.in>, Mohd Imtiyaz Khan <mohd.imtiyaz@ncdc.in>

Sir,

I am directed to attach herewith a copy of the inspection report for the "on spot verification" of Tapi SSSG Ltd., District Jalgaon, Maharashtra, conducted on 20.10.2022 for assessing the eligible capital subsidy to be claimed by the society from Government of Maharashtra (GOM), as per eligibility under GOM GRs dated 18.04.2016 and 16.01.2019.

2. Further, you are requested to note that **the date of commercial production of unit shall be 15.09.2021** i.e., the date when the society installed all requisite machineries & completed the project to start with sanctioned capacity of 25,920 spindles.

सादर/Regards

वस्त्र प्रभाग/Textile Division,
राष्ट्रीय सहकारी विकास

National Cooperative Development Corporation (NCDC)
(Textile Division)

Inspection report

(All cost figures in Lakh Rs.)


S. No	Particulars of inspection	Comments of NCDC officers		
1	Date of inspection	20 October 2022		
2	Name of the society assisted	Tapi Shetkari Sahakari Soot Girni Limited, (Erstwhile Chopda SSSG Ltd.) Tal. Chopda, Dist. Jalgaon, Maharashtra - 425107		
3	Registration no. and date	JGA/PRG/(A)/DH-06 dated 27-09-1991		
4	PAN number	AABTC3123D		
5	GSTIN registration number	27AABTC3123D1ZC		
6	Purpose of financial assistance sanctioned	Establishment of a New Spinning Mill of 25,920 spindles		
7	a. Date of sanction	06 th July 2010		
	b. Period of loan (Years)	8 Years		
	c. Moratorium period (Years)	2 Years from the date of disbursement of 1st installment loan		
	d. Date of validity of sanction	30.06.2018 & subsequently extended upto 30.04.2022		
8	Item-wise expenditure incurred in the project against approved cost	Particulars	Approved cost	Actual expenditure incurred on completion of project
		Site Development	69.43	70.47
		Building & Civil works	1973.00	2299.41
		Plant & Machinery	3685.22	3934.47
		Miscellaneous Fixed Assets	1867.10	1900.90
		Pre-operative Expenses	586.60	754.09
		Contingencies	277.62	0.00
		Margin money for working capital	396.03	396.03
	Total	8855.00	9355.37	
9	Pattern of funding for the project	Particulars	Approved source	Fund raised for completion of project
		Term loan from NCDC	4400.00	4400.00
		Subsidy under CSISAC	1328.25	1328.25
		HDFC Bank Term Loan	0.00	497.68
		Society's contribution	3126.75	3129.44
	Total	8855.00	9355.37	
10	Date of commencement of production	Out of approved capacity of 25,920 spindles, the society completed 17,280 spindles and started commercial production on 25.02.2018 and then added 8,640 spindles on 15.09.2021 & completed the sanctioned project. As per latest available information, the society has installed all machinery and equipment for 25,920 spindles.		
11	Installed capacity before implementation of project	Nil		
12	Installed capacity after implementation of project	25,920 ring spindles..		


13	Whether all installed machinery/equipment in the project are new?	Yes
14	Whether name plates of all installed machinery/ equipment have been verified with purchase invoices/ packing list?	Yes
15	Whether the funds disbursed by NCDC was utilized only for the purpose for which it was sanctioned?	Yes
16	Whether the society has availed loan from any other banks/financial institutions for the same purpose?	No
17	Term loan disbursed from NCDC for the said purpose.	Rs. 4400.00 lakh
18	Basic cost of TUF eligible machinery & equipment (excluding duties & taxes).	Rs. 3728.53 lakh (Annexure-I)
19	Eligible term loan* as per TUF norms prescribed by GOI under capital subsidy scheme of Govt. of Maharashtra	Rs. 3728.53 lakh
20	Eligible capital subsidy as per Govt. of Maharashtra GR dated 18.04.2016 (i.e., 45% on eligible term loan of Rs. 3728.53 lakh)	Rs. 1677.84 lakh

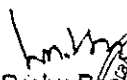
*Disbursed term loan (or) basic cost of TUF eligible machinery & equipment, whichever is lower.

Following documents are enclosed :

- List of TUF eligible machinery & equipment comprising type, make, model, serial no., imported or indigenous, country of origin, date of commissioning and purchase cost duly certified by inspection team members which was purchased after sanction date (Annexure-I);
- CA certified copies of purchase invoices of TUF eligible machinery/equipment (Annexure-II);
- Photographs of factory & installed machinery during inspection (Annexure-III);
- Self declaration of the unit stating the project reached 70% or more of sanctioned capacity (Annexure-IV);
- Project completion cum fund utilisation certificate (Annexure-V);
- Item-wise details of actual expenditure incurred alongwith its sources of funds duly certified by CA (Annexure-VI);
- Attested copy of last three month's electricity bill, first cotton purchase invoice & first yarn sales invoice (Annexure-VII);
- Attested copy of Society's registration certificate (Annexure-VIII);
- Attested copy of Society's PAN card (Annexure-IX);
- Attested copy of Society's GST registration (Annexure-X);


Ashutosh Shukla
Assistant Director, NCDC


Sunil Shinde
Deputy Director, NCDC


Prabu Paalraj
Director, NCDC