

## CHAPTER - X

SECURITY OF APPLICATIONS FOR FINANCIAL  
ASSISTANCE

10.1 The applications for financial assistance will first be received in the Khadi and Village Industry Section, which will examine whether

- (1) the claim has been made in the proper forms and is complete in all respects (e.g. whether the stamped receipt and hypothecation deed have been furnished.
- (2) the claim conforms to the pattern of assistance of the Khadi Commission ;
- (3) the institution or the society deserves help in view of its past performance and present position ;
- (4) the institution, where necessary , holds a valid and current certificate given by the Certification Committee ;
- (5) any of the office bearers of the institution is in the black list ;
- (6) the assistance has been recommended by the District or Divisional Committee or the District Cooperative Department or the Block Development Officer etc.;
- (7) any irregularities or malpractices have come to notice ;
- (8) the loan applied for is within the borrowing capacity of the institution ; and
- (9) the scheme and the production and sales estimates given by the applicant are feasible, considering availability of raw material, labour market etc.

10.2 On the basis of this examination, the section will record its specific recommendations and pass on the papers to the Accounts Branch for an examination of the case from the financial point of view.

10.3 The Accounts Branch should then comment on the soundness or otherwise of the financial position of the claimant society or institutions by looking into the following points :

- (1) the up-to-date position of unutilised amounts instalments of loan repayments due and paid total loans and grants given to date under various heads etc.
- (2) the balance sheets or other accounts, to see whether the applicant is working at a loss or profit,
- (3) important irregularities, if any, noticed during audit by the auditors of the Board, Cooperative Department or the Accountant General.
- (4) the fact whether necessary hypothecation deed of the loan applied for has been furnished or not,
- (5) the maximum credit limit fixed by the Board or any authority, and
- (6) any other information which has a bearing on the decision to extend financial help.

10.4 As the examination of the case by the Accounts Branch is conducted on behalf of the Financial Adviser also, it should further be seen if the scheme is in accordance with the pattern prescribed by the Khadi Commission and whether the assistance claimed is just-

