

Bihar Cooperative Societies Rules, 1959

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Bihar Cooperative Societies Rules, 1959

In exercise of the powers conferred by section 66 of the Bihar and Orissa Cooperative Societies Act. 1935 (B. & O. Act VI of 1935), and in supersession of all previous rules made under the said section, the Governor of Bihar is pleased to make the following rules, the same having been previously published as required by sub-section (3) of the said section.

1. Title :-

These rules may be called the Bihar Cooperative Societies Rules, 1959.

2. Definitions :-

In these rules unless there is anything repugnant in the subject of context. -

(i) "the Act" means the Bihar and Orissa Cooperative Societies Act. 1935 (B. & O. Act VI of 1935):

(ii) "affiliating society" means a registered society of which another registered society is a member; and "affiliated society" means a registered society which is a member of an affiliating society;

(iii) "cooperative year" means a year beginning with the 1st July and ending on the 30th June;

(iv) "borrowed capital" means the total of loans, deposits and other borrowings;

(v) "owned capital" means the total of paid up share capital, reserve and other funds created out of profits:

(vi) "working capital" means the total of "borrowed capital" and "owned Capital";

(vii) "form" means a form included in the Schedule to these rules;

and

(viii) "section" means a section of the Act;

(ix) "Apex Society" means-

(a) a society whose area of operation covers the whole of Bihar and which has any other cooperative society and if the Bye laws so provide, individuals as its members, or

(b) any other cooperative federation having in its area of operation the whole of Bihar and which has been declared as Apex Society by the Registrar of Cooperative Societies.

(x) state Level Society means -

(a) a society whose area of operation covers the whole of Bihar and whose members are individuals only, or

(b) any other society declared as State level Society by the Registrar of Cooperative Societies;

(xi) "Central Society" means -

(a) a Cooperative Society which has any other Cooperative Society and if the Bye-laws so provide, individuals as its members, provided that it does not come under the category of a primary society, an Apex Society or a State Level society, or

(b) a Cooperative Society which is declared as a Central Society by the Registrar of Cooperative Societies;

(xii) "Candidate" means a voter eligible to seek election-

(a) as Delegate, and/or

(b) Member of the Managing Committee, and/or

(c) as an office- bearer of Cooperative Society.

(xiii) "Delegate means delegate of members of delegate of a society, as the context requires.

(xiv) "Delegate of members" means an individual elected in accordance with these Rules in the Preliminary Meeting of a Cooperative Society to participate in the General Meeting of the Society;

(xv) "Delegate of Society" means an individual elected in accordance with these rules in General Meeting of a Cooperative Society to represent it another Cooperative Society of which such society is a member;

(xvi) "Election" means election, in accordance with these Rules for -

(a) Delegate,

(b) Members of the Managing Committee, and/ or

(c) Office-bearers of a Cooperative Society;

(xvii) "Election Officer" means an Officer entrusted in these Rules with the responsibilities of conducting election of a Cooperative Society and shall include Alternate Election Officer, Assistant

Election Officer and Assistant Alternate Election Officer;

(xviii) "Polling Officer" means a person appointed by the Election Officer to assist him in conducting election any polling station;

(xix) "Voter" means a person entitled under these Rules to vote for the election of a Delegate/ Delegates, the members of the Managing Committee and the Office-bearers thereof and whose name occurs in the final voters list;

(xx) "Voters list" means -

(a) in the case of elections in a society in which members of the society directly participate in its General Meeting, the list of such members;

(b) in other cases, the list of delegates of individual members, if any, for the Preliminary meeting; and

(c) the list of delegates for the general Meeting, as published by the Election Officer;

(xxi) "Preliminary Meeting" means a meeting held in accordance with these Rules to elect delegates or members;

(xxii) "Chief Executive" means an Officer of the society, who has ultimate control over day-today management of the society;

(xxiii) "district Officer" means Collector/ Deputy Commissioner of a district;

(xxiv) "Deputy Development Commissioner" means Deputy Development Commissioner of a District;

(xxv) "Sub-Divisional Officer" means the Officer notified as such by the State Government;

(xxvi) "Organiser" means a person who organizes a society for registration;

(xxvii) "Affiliating Society" means a society which affiliates some other societies as its member;

(xxviii) "Grace Period" means the period prescribed in sub-section (9) of section 14 of the Act after the expiry of the term of the members and of the office-bearers of the managing committee of a registered Society.]

1. Ins, by letter No. 14/ Legal 51/ 16-2829 date 2.9.89 Registration of Society.

3. Application For Registration :-

- (1) Every application for registration of a society shall be made to the Registrar in form 1.
- (2) In addition to the copy of the bye-laws required under sub-section (1) of section 9, every such application shall be

accompanied by three copies of the byelaws and all the four copies shall be signed by the persons who have signed the application for registration.

(3) Where a Cooperative Society is the applicant, the application shall be signed by an officer of the society duly authorised by a resolution of its managing committee.

(4) In the case of a Cooperative Society with unlimited liability the application shall also be accompanied by three copies of the statement of property and debts of the applicants in form II, signed and verified by them.

(5) Every application for the registration of a cooperative society shall be supported by a report in form II of the person by whom the society has been organised.

4. Procedure Of Registration :-

The Registrar shall examine every application for registration of a cooperative society and the bye-laws and other documents accompanying such application and shall satisfy himself -

(a) that the application is in conformity with the Act and these rules; and

(b) that the bye-laws are in conformity with the Act and these rules; and

(2). The Registrar may require any alterations to be made in the application or in the bye-laws in order to secure conformity with the Act and these Rules or call for such further information or make such inquiry as he may consider necessary.

(3) If the Registrar is satisfied that the bye-laws are not inconsistent with the Act and these rules, he may, if he thinks fit, register the society and its bye-laws and grant a certificate of registration in Form IV.

(4) After registration one copy of the bye-laws together with a copy of the statement of property and debts in the case of cooperative society with unlimited liability shall be retained in the Registrars office and one copy bearing the official seal of the Registrar shall be returned to the society together with the certificate of registration, and another copy similarly sealed shall be forwarded for record to the affiliating society to which that society is affiliated or to the society from which it may borrow funds, as the case may be.

5. Section 5 :-

6. Registered Address :-

The Registrar shall maintain a register of registered society showing

names and addresses of all such societies and all changes made therein. Admission to Membership

7. Admission To Membership :-

- (1) (a) Every person desiring admission to membership of a registered society shall apply in form V.
 - (b) The Secretary of the Society or any person duly authorised by him in this behalf shall immediately grant a receipt for the application in the form at the foot of form V
 - (c) In case the Secretary of the Society or any such person as aforesaid does not receive the application or grant a receipt for it, the applicant may submit his application to the Block Development Officer or the Assistant Registrar or Cooperative Societies or the District Cooperative Officer, who shall immediately grant him a receipt for the application in the prescribed form, and shall at once send the same to the society concerned.
 - (d) The application shall be considered by a Managing Committee of the Society and the decision of the Committee thereon shall be communicated to the applicant within 15 days of receipt of the application and, where the application is rejected, with reasons therefore.
 - (e) If no decision is communicated to the applicant within the period specified above. It shall be deemed that the application has been accepted and the applicant has been admitted to the membership of the Society.]
- (2) A person whose application for admission to membership has been rejected by the managing committee may, within sixty days of the communication of the decision to him appeal to the Registrar whose decision shall be final.
 - (3) On payment of the admission fee and share money as prescribed in the bye-laws, a member shall be entitled to all the rights and shall be subject to all the liabilities of a member.

8. Eligibility For Membership :-

No person shall be eligible for admission as a member of a registered society, if he -

- (a) is under eighteen years of age;
- (b) is a paid employee of the society or of an affiliating society;
- (c) is of unsound mind;
- (d) has applied to be adjudged a bankrupt or an insolvent or is an uncertificated bankrupt or an undischarged insolvent, or
- (e) has been sentenced for any offence other than an offence of a

political character or an offence not involving moral delinquency, such sentence not having been reversed or the offence pardoned. Provided that this disqualification shall not apply where more than five years have elapsed from the date of the expiration of such sentence.

9. Cessation Of Membership :-

Any member of a registered society shall cease to be a member thereof, if he subsequently incurs any of the disqualifications specified in rule 8.

10. Exception To Admission As Member :-

No person, who is a member of a registered society, shall be admitted as a member by another registered society of a similar type without the sanction of the Registrar and the Registrar may issue an order directing either society to remove such a person from its membership and the order of the Registrar shall be binding on them.

11. Re-Admission Of Expelled Members :-

No members of registered society, who has been expelled under the provisions of its bye-laws, shall be eligible for readmission as a member of that society, or for admission as a member of any other registered society, for a period of two years from the date of such expulsion:

Provided that the Registrar may after giving the registered society concerned an opportunity of being heard in special circumstances sanction the readmission or admission within the said period of any such member of the said society or of any other society, as the case may be. Limit of membership and shares

12. Limit Of Membership And Shares :-

Wherever the membership of a registered society is open both to individual and registered society the Registrar may, from time to time, prescribe the proportion of individual members to that of registered societies.

13. Section 13 :-

No member of a registered Society, other the State Government of any other registered society, shall hold more than one- fifth of the share capital, or shares exceeding 1[then thousand rupees,] whichever is less in value, whether the liability of the society is limited or unlimited: Provided that the Registrar may relax this limit in case of any registered society or class of registered societies.

14. Resignation And Expulsion :-

(1) Any member may resign his membership of a registered society on giving to the managing committee three months notice or such longer notice as may be prescribed in the bye-laws: Provided that there are no debts due by him to the society and that he is not a surety in respect of any debt to the society:

Provided further that no member of a registered society shall be permitted to resign from the membership of the society before the end of one year from the date of his admission thereto.

(2) A member may be removed or expelled from the membership of a registered society for such cause and in accordance with such procedure as may be prescribed in the bye-laws. Bye-laws of Societies.

15. Bye-Laws Of Societies :-

(1) A registered society shall subject to the provisions of the Act and these rules; make bye-laws in respect of the following among other matters, namely:-

(a) the area of its operation;

(b) the objects of the society and the ways and means of carrying out those objects;

(c) the purpose to which its funds are applicable, the manner in which capital may be raised; and the custody and investment of its funds;

(d) the qualification for admission to membership, the continuance of such membership and the condition of cessation of or expulsion from membership;

(e) the rights and liabilities of members, and the consequences of default in payment of any sum due by a member to the society;

(f) the mode of holding general meetings of the managing committee or any other committee of the society and the powers and duties which may be exercised and performed by such committee:

(g) the mode of appointment, suspension and removal of the members of the managing committee and of the officer of the society, and the duties and powers of the committee and officer; and

(h) the authorisation of any officer or officer of the society to sign documents of its behalf.

(2) If the objects of the society include the creation of funds to be lent to members, the society shall also make bye-laws in respect of-

(a) the purposes of which and the security on which loans may be granted:

(b) the maximum liability which the society may incur:

(c) the maximum limit of loan which may be advanced to a member:

(d) the terms and conditions subject to which loans may be granted and extension of time for re-payment.

(e) the maximum rates of interest of lendings, and

(f) the disposal of profits and the maximum dividend payable on paid up share capital.

(3) In case of a registered society having as its objects the purchase, sale, production or distribution of commodities and such other objects, the society may make bye-laws in respect of the mode of conducting the business of purchase, sale and stock-taking.

(4) A registered society may make bye-laws in respect of any other matter incidental to the management of its affairs.

16. Amendment Of Bye-Laws :-

A registered society may by a resolution adopted by majority of two thirds of its members present at a general meeting of which due notice has been given to the members, amend its bye-laws.

17. Section 17 :-

(1) An application for the registration of an amendment to the byelaws shall be made within three months from the date of the general meeting at which the resolution in respect of the amendment was adopted, to the Registrar in Form VI and shall be accompanied by three certified copies of the resolution.

(2) On Registration of the amendment, the Registrar shall retain one copy in his office, and issue a copy certified by him to the society concerned and another copy similarly certified to the affiliating society, if any, in form VII.

(3) If the Registrar refuses to register an amendment, he shall send a copy of the order of refusal giving reasons thereof to the society concerned.

18. Section 18 :-

When the Registrar registers an amendment to the bye-law of a

registered society under sub-section (2) of section 26, he shall issue by registered post a copy thereof certified by him to the society concerned and the affiliating society, if any, in Form VIII.

19. Section 19 :-

The registered name of a society shall not be changed except by an amendment of its bye-laws and the Registrar may require the changed name to be such as he may direct. General Meeting.

20. General Meeting :-

The General Meeting of a registered society shall be of the following kinds:-

- (a) Preliminary General Meeting.
- (b) Annual General Meeting.
- (c) Extraordinary General Meeting.
- (d) Special General Meeting.
- (2) Preliminary General Meeting -

(a) Within a period of ninety days from the date of the registration of a Cooperative Society or within such extended period as may be permitted in writing by the Registrar, the society shall hold its first Preliminary General Meeting wherein only such persons, who have signed the application for registration of the society: shall be entitled to participate.

(b) For the purposes of the meeting referred to in clause (a) at least fifteen days notice mentioning the date, time place and agenda of the meeting shall be issued by the Organiser of the Society.

(c) Where the Organiser is not available to convene the meeting or he fails to convene the meeting as aforesaid, it shall be convened by the registrar or any person authorised by him by a general or special order.

(d) At the Preliminary General Meeting the following business shall be transacted in the order given below.

(i) Election of the person to preside over the meeting (election to be held by show of hands.

(ii) Adoption of the registered by-laws.

(iii) Consideration of the statement of accounts since the organisation of the society to the date of the meeting.

(iv) Fixation of maximum liability to be incurred by the society till the annual General Meeting of the society is not held.

(v) Any other matter which may be necessary in view of the bye-law of the society, and

(vi) Constitution of the Managing Committee in accordance with the

Act, Rules, and bye-laws of the society.

(e) subject to such instruction as may be issued by the Registrar, the election of the members of the Managing Committee and the Office-bearers of the society shall be conducted by the person presiding the first General Meeting in such manner as may be conducive to fair election and all points of order relating to the election shall be decided by him.

1. subs. By Letter No. 14/ legal 51/29 dated 2.9.89

(3) Annual General Meeting - The Managing Committee of a registered society shall within the grace period after the close of the Cooperative year convene the Annual General Meeting at which all items of business as prescribed in the bye-laws of the society except the election of the members of the Managing committee, Officer- bearers thereof and the delegates of the Society, shall be transacted:

Provided that if the audit report is not ready, the consideration of it by the General Meeting and the disposal of profits shall be held over till an extraordinary General Meeting is convened for the said purpose or till the next Annual General Meeting.

(4) Extra-ordinary General Meeting - An Extraordinary General Meeting may be convened at any time by the Managing Committee or on the requisition of one-third of the members of the registered society and in the latter case the Chairman shall call the Extraordinary General Meeting within a month from the date of receipt of the requisition: Provided that the business of the meeting shall not include election of the members of the Managing Committee, the office-bearers thereof and the delegates of the society.

(5) Special General Meeting -

(i) Notwithstanding anything contained in the bye-law of a registered society as to the mode of summoning General Meetings and the object, time and place of such meeting the Registrar, or any person authorised by him or 1[" Conducting Officer notified under Rule 21 B" may at any time, direct the summoning of a special General Meeting of the society in such manner and at such time and place as he may fix

"(ii) it shall be incumbent on the chief Executive of the Cooperative Society to convene a Special General Meeting after notice to the members within thirty days of the receipt of the order under clause (i) above failing which the Registrar or the person authorised by him or the conducting officer may summon the meeting after notice to the members of twenty- one days and such meetings shall have

all the powers of a special General Meeting convened according to the byelaws of the Cooperative Society"

"(iii) Wherever the bye-law of a Cooperative Society so provide, there shall be a Primary Meeting to elect the delegates to the General Meeting of the Cooperative Society on the date fixed by the Registrar, Cooperative Societies of the concerned Conduction Officer. "]

21. Procedure At General Meetings :-

(1) (i) The general meeting shall be held at a time, date and place notified in accordance with the bye-laws of the registered society and if a quorum is present, the members present shall unless otherwise provided in the bye-laws elect from among themselves a chairman and a Deputy Chairman of the meeting: 1 [Provided that in case of a society where the Managing Committee has either been superseded under Section 41 of the Act or has ceased to exist under section 14 (5) of the Act, the Administrator shall be the Chairman of the General Meeting and in his absence a person nominated by him shall be the Chairman of the meeting.]

(ii) The general meeting shall exercise all the powers and perform all the duties prescribed for it in the bye-laws.

(2) The Chairman or, in his absence the Deputy Chairman or in the absence of both Chairman and the deputy Chairman, a person elected by the members from among themselves shall preside at the meeting.

(3) Subject to such instructions as may, from time to time be issued by the Registrar, the person presiding at the meeting shall conduct the proceedings in such manner as may be conducive to expeditious and satisfactory disposal of business and shall decide all points of order at the meeting.

(4) Unless otherwise provided in these rules or in the bye-laws the quorum for a general meeting shall be one fifth of the total membership of the society on the date of issue of the notice of the meeting.

(5) If within an hour of the time appointed for the meeting the quorum is not present, the meeting shall stand adjourned to a date not earlier than seven days and not later twenty- one days:

Provided that, if the meeting has been called on a 1 [requisition under rule 20 (4) in shall, in the absence of the quorum within an hour of the appointed time, stand dissolved.

(6) No quorum shall be necessary for an adjourned meeting.

(7) All questions before a general meeting shall be decided by a majority of votes and in the event of equality of votes, the Chairman of the meeting shall have a casting vote. 1. ins. by letter no. 14/ Legal-51-89-2829 dated 2.9.89 2. Subs. by GSR 1 dated 1.2.1997

(8) Voting by proxy shall not be allowed, but the Registrar may permit this to be done in the case of any particular registered society or class of registered societies.

(9) Voting at a general meeting shall be done by show of hands and only in exceptional case voting by ballot may be resorted to if the Registrar so directs, on his own motion, or on the application filed by the society concerned.

(10) The minutes of proceeding of general meeting shall be recorded in a book to be kept for the purpose and the minutes shall be signed by the person presiding at the meeting.

(11) An appeal shall lie to the Registrar on all matters relating to procedure followed at any general meeting and his decision thereon shall be final.

ELECTION

21A. Election Of The Members Of The Managing Committee :-

Notwithstanding anything contained in any Rule and Bye-laws of any Cooperative Society, the election of the members of the Managing Committee, office bearers thereof and the delegates of the society shall be held in a Special General Meeting in accordance with rule Provided that the election of the members of the Managing Committee office bearers and the delegates of newly registered Cooperative Society shall be held in the Preliminary General Meeting according to rule 20 (2) (a) to (e). " [Case- law. - Rules 21- A, 21- H, 21- O and 22- I read with Sections 2 (e) and 2 (gg) of Bihar Cooperative Societies Act, 1935- election to the office of Chairman or other office bearers can be held simultaneously along with the election of the members of the Managing committee- this can be clearly inferred from the provisions of Rule 21- o read with form XXIII and section 2 (e) and 2 (gg). Abhya Nand upadhaya vs. State of Bihar, 1992 (2) PLJR 371.

21B. Power To Organize Election :-

Subject to the general superintendence, direction and control of the Registrar, Cooperative Societies, the power to conduct elections in a Cooperative Society or class or classes of Cooperative Societies shall vest in the following officers, who for this purpose, shall be called

conducting Officer:-

(i) the Registrar, Cooperative Societies, or a officer not below the rank of joint Registrar, Cooperative Societies authorised by him in respect of Apex Societies or class of Cooperative Societies as may be specified by the Registrar;

(ii) The District Officer/ Deputy Commissioner of a district or an officer not below the rank of Additional Collector authorised by him in respect of central Cooperative Societies including Central Cooperative Banks; Provided that if the territorial jurisdiction of a Central Cooperative Society extends beyond the territorial boundary of one district the District Officer/Deputy Commissioner of the District in which headquarters of the Society is situated shall have power to, conduct elections in that society;

Provided further that the Managing Director of Bihar State Cooperative Milk Producers Federation Ltd. , Patna shall have Power to conduct elections in the Milk Producers Cooperative Unions affiliated with the Federation: Provided also that the Additional/ Joint Registrar, Cooperative Societies of the concerned Division shall have power to conduct elections in the Vyapar Mandal Cooperative Societies of that Division:

1. Subs. by G. S. R. 1 dated 1.2.1997

(iii) The Assistant Registrar, Cooperative Societies of the concerned circle in respect of primary Cooperative Societies: Provided that the Managing Director of Bihar State Cooperative Milk Producers Federation Ltd. , Patna shall have power to conduct elections in the Milk Producers Cooperative Societies affiliated to Milk Producers Cooperative Unions and the Bihar State Cooperative Milk Producers Federation Ltd.

21C. Dates Of The Election To Be Fixed By The Registrar :-

(1) The election of a Cooperative Society or class of Cooperative Societies shall be held in a Special General Meeting on such date as may be fixed by the Registrar, Cooperative Societies or the Conducting Officer concerned.

(2) The Conducting Officer concerned shall call a primary Meeting to elect the representatives (delegates) on the date fixed by him, wherever the bye laws of a Cooperative Societies so provide;

(3) The programme of elections shall be fixed by the conducting Officer concerned which shall clearly contain the date, time and place of all stages under rule 21 - M. "

21D. Appointment Of Election Officer And An Alternate Officer :-

(1) An Election Officer and an alternate Election Officer shall be appointed by the Conducting Officer concerned. Provided that no Government servant below the rank of a Cooperative Extension Officer shall be appointed Election Officer or Alternate Election Officer: Provided further that for the Milk Producers Cooperative Society, no person shall be appointed Election officer or alternate Election Officer if he is below the rank of Milk Procurement Officer posted in affiliating Milk Producers Cooperative Unions and Bihar State Cooperative Milk Producers Federation Ltd. "

(2) it shall be duty of the Election Officer to hold and conduct elections properly in accordance with these rules. He shall exercise all such powers and perform all such duties as may be necessary for and incidental to the conduct of elections.

(3) Where the Election Officer appointed under sub-rule (1) is unable to attend any stage of the election owing to illness or other unavoidable reasons, the election from the stage at which the Election Officer has left and in such cases every reference to the Election Officer in this rule shall be construed as a reference to the Alternate Election Officer.

21E. Render Of Assistance To The Election Officer :-

The Managing Committee and every officer of the Cooperative Society concerned shall be bound to render assistance to the Election Officer in the conduct of the election and shall make available to him such information and records of the society as may be required by the Election Officer for the purpose.

1. Subs. by GSR 1 Dated 1.2.1997.

21F. Appointment Of Polling Officers :- The Election Officer shall appoint such number of polling Officer as necessary and provide them with ballot boxes, ballot papers, a copy of the final voters list and such other accessories which are necessary for the conduct of election.

21G. Polling Officers Appointed Not Concerned With The Management And Administration Of Societies :- .

The Polling Officer appointed by the Election Officer shall be from amongst the Government servants who are not concerned with the

management and administration of the societies.

21H. Preliminary Meeting To Elect The Delegate :-

- (1) Wherever the bye- laws of a Cooperative Society so provide, there shall be 1 [Primary meeting] to elect the delegates to the General Meeting or the society on the date or dates fixed by the authority notified under Rule 21-B: Provided that the Registrar of Cooperative Societies, notwithstanding any provision in the bye-laws of society, may, after hearing the society, order for holding a 1 [Primary meeting] of the members to elect delegates to the General Meeting of the society, even in case of such societies where the bye- laws do not provide for 1 [Primary meeting].
- (2) Notwithstanding anything contained in the bye-laws of a society as to the territorial or other basis of the 1 [Primary meeting] the Registrar after hearing the society may divide its membership into different groups on territorial or any other rational basis.
- (3) The decision of the Registrar under sub-rules (1) and (2) shall be final and binding on the society concerned.
- (4) The procedure of election in the 1 [Primary Meeting] of a society shall be the same as in the meeting to elect the members of the Managing Committee, office bearers thereof and the delegate of the society as provided in these Rules.

21I. Submission Of The List Of Members To The Election Officer :-

- [(1) Before the close of Cooperative Year the conducting officer Concerned shall prepare or cause to be prepared a list of societies in which election shall be due in the immediate succeeding Cooperative year. " 1
- (2) The concerned society shall submit under its seal and certificate a voter list as on the last day of preceding Cooperative year in triplicate in Form XXIII to the Election Officer on or before 30th April: Provided that if the society is an affiliating society the voters list of the society shall be submitted under its seal and certificate as on the last day of the preceding Cooperative Year in triplicate in Form XXIII and Form XXIV to the Election Officer on or before 30th April. "
- (3) If the society fails to prepare and send the 1 [voters list] within the time specified, the Election Officer may himself or through a person authorised by him on this behalf prepare the list.

21J. Display Of List On The Notice- Board :-

(1) The Election officer shall -

(i) Cause the voters list to be displayed on the notice board of the society Concerned and at such other place or places as may be deemed fit;

(ii) Publish or cause to be published on the notice board of the society a general notice fixing the date for filing objections to the voters list and the disposal of the objections by him; Provided that there shall be a difference of at least seven days between the date of publication of the voters list as well as general notice and the date of filing of objection;

(iii) After disposal of objections, publish or cause to be published the final voters list at such places as specified under clause (i)

(iv) Forward a copy of final voters list to the society concerned which shall issue notice to the voters for Special General Meeting on its basis.

(2) The society shall Keep a copy of the final voters list at the office of the society during office hours for perusal and the copy of voters list shall be made available on payment of the price fixed by the society. "

21K. Special General Meeting :- .

(1) The Special General Meeting for the purpose of election in a society shall be held on the date or dates fixed by the conducting officer]

(2) The Society shall give to its members under certificate of posting the notice of the Special General Meeting:

Provided that in case of the society where the 1 [Primary Meeting] has taken place, notice of the meeting shall also be given to the delegates elected in the 1 [Primary Meeting. 1 [(3) The notice shall contain the programme of election as fixed the conducting Officer mentioning the date, time and place of every stage under Rule 21-M;

Provided that the notice shall be issued at least fifteen days before the date of nomination and there shall not be gap of less than ten days between the date of filing of nomination and the date of Special General Meeting].

(4) The notice shall also mention the name and address of the Election Officer and the Alternate Election Officer.

(5) A Copy of the notice shall be sent to the Election Officer, 1 [Conducting Officer] and the Registrar and the financing institution.

21L. Proper Service Of The Notice :- it shall be the duty of the Election Officer to satisfy himself about proper service of the notice and record his certificate on the Notice Book of the Society.

21M. Date To Be Fixed For Filling Of Nomination Etc :-

The Conduction officer shall fix the date for -

- (a) filing of nominations.
- (b) Scrutiny of nomination papers,
- (c) Display of the list of nominations.
- (d) Filing of objections.
- (e) Disposal of objection,
- (f) Display of the list of valid nominations.
- (g) Withdrawal of nominations.
- (h) Display of list of nominations after withdrawal, if any, and
- (i) Allotment of symbols; Provided that all stages shall be conducted in the head quarters of the society. "

21N. Disqualification For Filling Nomination :-

(1) No person shall file nomination paper for election to fill a seat if -

- (i) his name does not appear in the final Voters list, of
- (ii) he is otherwise disqualified for being elected under the provisions of the Act, Rules or the Bye-laws of the society.

1. Subs. by G. S. R 1 date 1.2.1997 (2) Proposal for nomination shall be addressed to the Election Officer in the prescribed form. Objection to nomination by a voter shall also be addressed to him.

(3) The candidate shall present his nomination to the Election Officer in person or through his authorised agent and an entry thereof shall be made by the Election Officer in the register maintained for the purpose strictly in chronological order and he will also acknowledge receipt, if demanded: Provided that the proposer and seconder to the nomination shall be a voter other than the candidate himself.

(4) The Election Officer shall take up scrutiny of nomination papers in alphabetical order on the date specified. The Candidate, his proposer or seconder may be present at the time of scrutiny.

(5) While scrutinizing the nomination, the Election Officer may -

- (a) Permit any clerical error in the nomination paper in regard to the names or number to be corrected in order to bring them in conformity with the corresponding entries in the final voters list:

(b) Where necessary direct that any printing error in the said entries may be overlooked.

(6) At the time of scrutiny, the Election Officer shall endorse on such nomination paper the decision regarding acceptance or rejection. In the case of rejection he will record in writing a brief statement of his reasons for such rejection. The candidate whose nomination is rejected may obtain a copy of the Order of rejection on payment of a fee of rupees five to the Election Office, who shall deposit the amount in the Society Concerned.

(7) Application for withdrawal of the nomination shall be made to the Election Officer in person in the prescribed form by the candidate concerned.

210. Option To Retain Only One Seat :- If a candidate is elected simultaneously for more than one office of the Managing Committee and/ or members of the Managing Committee, in that case, he shall have the option to retain one seat only and shall vacate the remaining seats of the concerned Society in writing to the Election Officer within 24 hours of the publication of the result of the election and such seat vacated by such candidate shall be filled in by the next candidate securing the next highest vote: Provided that if the option is not exercised by such candidate within the time prescribed the Election Officer shall exercise his discretion and declare such seat to have been vacated by the said candidate.

21P. Unanimous Election :-

(1) Where the number of valid nominations for any seat does not exceed the number of seats to be filled, the candidates for whom valid nomination have been received shall be deemed to have been duly elected to fill such seat:] 1 1 [Provide that the declaration of results of such elections also shall be made in the Special General Meeting the minutes of the Special general Meeting shall also be recorded] (2) If no valid nominations are received for any one more seats, such seat shall be filled by Cooption from amongst the members of the society:] 1 "Provided that if the valid nomination is not received for the post of delegates representatives of the societies then such posts also shall be filled by co-option by the Managing Committee from amongst the members of the society. "] 1. Subs. by G. S. R. 1 Dated 1.2.1997

21Q. Election On The Basis For Valid Nomination :- If the number of valid nominations for any seat exceeds the number of the seats there shall be an election] 1 "Provided that whether the elections are uncontested or contested, in both the cases the declaration of elections results shall be made in the Special General Meeting and the minutes of the meeting shall be recorded in which results of the elections shall be mentioned.

21R. Identification Of Voters :-

The Election Officer may make such arrangements as he may deem necessary to ensure identification of the voters and to prevent impersonation.

21S. Ballot- Paper :- If the number

(1) Every voter shall be given a ballot paper, containing names of contesting candidates arranged in Hindi in alphabetical order alongwith their election symbol against their names. The voter shall mark "Z" on the election symbol of the contesting candidate in whose favour he desires to cast his vote.]

(2) The ballot paper shall be serially numbered and shall also bear the seal of the society and initial of the Election Officer or the polling Officer of the concerned Polling station.

(3) The voting shall be by secret ballot. The Voter shall put a cross mark (x) against the name of the candidate for whom he casts his vote and thereafter he shall put the ballot paper into the ballot box.

(4) Every vote shall have as many votes as there are seats to be filled in but no voter shall give more than one vote to any one candidate.

(5) Any contesting candidate or his authorised agent may challenge the identity of the voter before the issue of the ballot paper on paper on payment of a fee of rupee one for each challenge.

(6) The election Officer shall make summery enquiry of the challenge and if after such enquiry he is of the opinion that the challenge in not established he shall give to such voter a ballot paper.

(7) if a person representing himself to be a particular voter named in the final voters list applies for a ballot paper after another person has already voted as such voter, he shall, on satisfying his identify to the Election Officer, be supplied with a ballot paper which shall

be endorsed on the back with the word tendered ballot paper by the Election Officer in his own handwriting and signed by him.

(8) Every such person shall before being supplied with a tendered ballot paper, sign his name or affix his thumb impression if he is illiterate, against the entry relating to him in list of tendered ballot papers.

(9) On receipt of ballot paper under sub-rule (7), the person shall record his vote on the tendered ballot paper by putting a cross mark (x) against the name of candidate for whom he wants to vote and hand over the tendered ballot paper to the Election Officer who shall forthwith place it in a cover specially kept for the purpose.

21T. Interruption Of The Election Proceeding At The Polling Station :-

(1) If an election, the proceedings at any polling station are interrupted or obstructed by any riot or violence, or is not possible to take the poll at any polling station/booth on account of any natural calamity, or any other sufficient cause, the Polling Officer for such polling station/ booth shall announce an adjournment of the poll to a date to be notified later.

(2) Whenever a poll is adjourned under sub-rule (1) The Election Officer shall immediately report the circumstances to 1 [Conduction officer.] appoint the day on which the poll shall recommence and fix the polling station/ booth at which, and the hours during which, the poll will be taken and shall not count the votes, cast at such election unit such adjourned poll shall have been completed.

(3) In every such case as aforesaid, the Election officer shall notify in such manner as the 1 [Conduction officer] may direct, the date, place and hours of polling fixed under sub-rule (2).

1. Subs. by G. S. R. 1 dated 1.2.1997.

(3) If at any election-

(a) any ballot box used at a polling station/ booth is unlawfully, taken out of the custody of the polling officer or is accidentally or intentionally destroyed or lost, or is damaged or tampered with, to such an extent, that the result of the poll at that polling station/ booth cannot be ascertained, or

(b) any such error or irregularity in procedure as is likely to vitiate the poll is committed at polling station/ booth the polling officer shall forthwith report the matter to the Election Officer and to 1 [Conduction Officer]

21U. Counting Of Votes :-

(1) The counting of Votes will take place immediately after the close of the poll and in case it is not possible to count votes immediately after the close of the poll, the ballot boxes shall be sealed by the Election Officer and kept in the safe custody. The candidate or his agent, if he so desires, may also affix his seal. In that case the counting of votes shall take place on the day and the place and hour appointed by the Election Officer in that behalf.

(2) A ballot paper shall be rejected it-

(i) It bears any signature to identify the voter,

(ii) It does not bear the seal of the society and initials of the Election Officer /Polling Officer of the concerned polling station/both,

(iii) it contains no marks indicating a vote,

(iv) it contains no marks than the number of seats to be filled or

(v) it is so damaged or mutilated that its identity as a genuine ballot paper cannot be established

(3) If a ballot paper contains mark or marks for a candidate or candidates in such a manner that it is not clear as to which of the candidates the voter has cast his vote for it shall be rejected: Provided that a ballot paper shall not be rejected only on the ground that the mark indicating the vote is indistinct of more than once, if the intention that the vote has been cast for a particular candidate, clearly appears from the way the paper is marked.

(4) The Election Officer shall declare the result of election as soon as the counting is completed indicating the number of votes secured by each candidate and shall also furnish a certificate in writing under his seal and signature to the successful candidate and 1 [Conduction Officer]

1. Subs. by G. S. . R 1 Dated 1.2.1997

(5) In the event of equality of votes, the matter shall be decided by draw of lots by Election Officer.

(6) The Election Officer shall display the list of elected candidates on the notice board of the society and also at such public place as he may deem fit.

(7) A copy of the list prepared under sub-rule (6) shall be sent to the concerned officer of the Cooperative Department. 1 [Conducting Officer] and also to the Chief Executive of the society concerned.

(8) Used ballot papers and other records pertaining to the election shall be put in a cover or container and shall be sealed by the Election Officer/Polling Officer. Any candidate may also affix his seal thereon, if he so desires. The cover or container so sealed

shall be entrusted by the Election Officer/Polling Officer to the Chief Executive of the society who shall acknowledge the receipt and be responsible for its safe custody for twelve months or till such time as the Registrar directs.

21V. Determination Of Amount Of Expenses For Holding Election :-

(1) The amount of expenses for holding election in a Cooperative Society or a class or classes of Cooperative Society shall be determined by 1 [Conducting Officer] by special or general order and the same shall be payable by the society from its fund. Provided that no. T. A. / D. A. for Election Officer/Polling Officer and other persons connected with the conduct of elections shall be payable from the funds of the society.

(2) The Chief Executive of the society concerned shall no the direction of Conducting Officer] make payment in respect of expenditure incurred in connection with the election of the society.

21W. To Assist The Registrar In Discharge Of Election Duties :-

The State Government shall appoint an Additional Registrar of Cooperative Societies and such other officers as it may deem necessary to aid and assist the Registrar of Cooperative societies in the discharge of his duties with regard to the election in Cooperative Societies.

21X. Dispute Relating To Election :-

Any dispute relating to election of a Cooperative Society may be raised within 30 days from the date of declaration of the result and such dispute shall be decided under section 48 of the Bihar Cooperative Society Act. 1935.]

1. Subs. by G. S. R. 1 dated 1.2.1997

22. Managing Committee :-

(1) Subject to nominations by the State Government and/ or the Registrar of such number of members to the Managing Committee as prescribed in the Act, Rules and Bye-laws of a registered society, the Managing Committee of the society shall be constituted: Provided that the election of the members of the Managing Committee and office- bearers thereof shall be held in accordance

with the procedure laid down in Rule 21 - B to 21 - X.

(2) The members of the Managing Committee and the office-bearers shall be deemed to have taken over charge immediately after the constitution of the Managing Committee: 1 [Provided that the Constitution of the Managing Committee shall not be treated as complete unless and until the elected members together with the exofficio members, if any, constitute filed per cent or more of the Managing Committee.]

(2) The State Government or the Registrar, as the case may be, may nominate all the members of the Managing Committee and the office-bearers thereof on such terms and conditions as may have been prescribed in the byelaws of the society.

23. Election to Managing Committee :-

(1) No person shall be eligible for election to the Managing Committee, if -

(a) he is not a member of the society, or

(b) he is in default to the society in respect of any loan taken by him for such period as is prescribed in the bye-laws or in any case for a period exceeding three months or is in default to the society in respect of any other dues or is in default to any other registered society on the date of filing of nomination, or

(c) he has directly or indirectly any interest in any subsisting contract made with the society or in any property sold or purchased by the Society or in any other transaction or the society except in any investment made in or any loan taken from the society, or

(d) a proceeding for surcharge relating to any registered society is pending against him, or

(e) an enquiry relating to any transaction of the registered society to the managing committee of which he seeks election, is pending against him, or

1. Subs by letter No. 14- Legal 51/ 89- 2829 dated 2.9.89

2. Subs by G. S. R. No. 1 dated 1.2.1997

(f) a criminal proceeding relating to any transaction of a registered society is pending against him in which cognizance has been taken.

(2) No delegate/ representative of an affiliated society shall be eligible for election to the Managing Committee, if -

(a) the affiliated society is in default to the society in respect of any loan taken by it for such period as is prescribed in the bye-laws or in any case for a period exceeding three months or is in default to the society in respect of any other registered society on the date of

filing of nomination, or

(b) he/affiliated society has directly or indirectly any interest in any subsisting contract made with the society or in any property sold or purchased by the society or in any other transaction of the society except in any investment made in, or any loan taken from the society, or

(c) a proceeding for surcharge relating to any registered society is pending against him, or

(d) an enquiry relating to any transaction of the registered society to the Managing Committee of which he seeks election is pending against him, or

(e) a criminal proceeding relating to any transaction of a registered society is pending against him in which cognizance has been taken.

24. A Member Of The Managing Committee Shall Cease To Hold Office, If :-

(1) he ceases to be a member of the society, or

(2) he incurs any of the disqualifications mentioned in rule 8 or rule 23.

25. Disabilities Of Members :-

A member shall be disqualified for elections as a representative of the society for any purposes if he suffers from any of the disqualification for election as a member of the managing committee prescribed in rule 23 and a member shall cease to be a representative of the society if, subsequent to his election as such, he becomes subject to any of the disqualifications prescribed in rule 24.

26. Constitution Of Sub-Committees :-

The managing Committee may constitute sub - Committees from among its members and may appoint to the sub- committees, persons who are not members of the managing committee whether or not, they are members of the registered society and delegate to the sub- committees any of its powers or functions:

Provided that -

a. the person so appointed shall not be entitled to vote

b. no member of the registered society shall be appointed who suffers from any of the disqualifications specified in rule 23 and if any such member incurs any of the said disqualifications he shall cease to be on the sub- committee.

27. Procedure At Committee Meeting :-

the business at a meeting of the managing committee of any sub-committee thereof shall be conducted in accordance with the procedure laid down in these rules and the bye-laws of the society.

28. Holding Of Meeting :-

(1) The Secretary or on his failure the Chairman shall convene meeting of the managing committee at least once in three months or as often as may be considered necessary for the transaction of the business of the society:

(2) A notice specifying the time, place and agenda of the meeting shall be circulated among the members.

(3) The proceedings of the meeting shall be recorded in a minute book to be kept for the purpose and shall be signed by all members of the committee present and the names of the members voting for or against any resolution relating to an item of business involving a financial transaction shall also be recorded in that book.

29. Powers And Duties Of The Managing Committee :-

The managing committee shall exercise and perform all such powers and duties as are conferred or imposed on it by these rules or the bye-laws of the society or by a resolution passed at a general meeting.

30. Procedure When Society Is Superseded :-

The period required to be prescribed under sub-section (3) or section 41 shall be four months from the date of order of the dissolution of the managing committee.

31. Honorarium To Members :-

The registered society may, with the approval of the Registrar, pay honorarium of amount of pocket expenses to a member for service rendered to the society and any amount paid on his behalf shall be debited to the head " Establishment Charge. "

32. Rules Of Business :-

Subject to the rules of business which may from time to time, be prescribed by the State Government, the managing committee of a registered society may frame rules for the guidance of its employees and in particular in regard to the manner of receipt and disbursement of money, and the custody of books, accounts, securities and the rules of business framed by the society shall come into force on approval by the Registrar.

33. Appointment Of Paid Employees :-

(1) The appointment a paid employee in any registered society shall be subject to such condition as to qualification, designation, scale of pay and traveling allowances, furnishing of security, compulsory contribution to provident fund, grant of leave, salary, increment, transfer, punishment, suspension, removal or dismiss

(2) A registered society aggrieved by any order of the Registrar under sub-rule (1) may within sixty days of the receipt of such order, prefer an appeal against the order to the State Government and the decision of the Stat Government thereon shall be final.

(3) Any appointment made hereinafter in contravention of the conditions determined by the Registrar under sub-rule (1) shall be void as if no such appointment ever existed and salary and other allowances paid, if any, to such persons shall be recoverable under section 40 of the Act.

34. Deputation Of Government Officers :-

When a Government officer deputed to a registered society, either as a managing director, executive officer or manager, or in some other similar position, he shall be in general control of the administration of the society with power to punish, suspend, remove or dismiss any paid employees of the society, subject to the general direction or the managing committee.

1. Ins. By Letter No. 14/legal 51/89- 2829 dated 2.9.89

35. Imposition Of Fine :-

where the bye-laws of the society empower the managing committee to impose a fine on a member, the fine shall not exceed twenty five rupees and its recovery shall be subject to confirmation by the general meeting.

Provided that if, in the opinion of the managing committee the circumstances of the case justify the imposition of a fine exceeding twenty five rupees, the managing committee shall report the case to the general meeting and if the general meeting decides to impose a fine exceeding twenty five rupees. its decision shall be forwarded to the registrar who may confirm, reduce, or remit the fine.

Change of Liability, Amalgamation and Division of Societies

36. Change Of Liability :-

Subject to the proviso to section 5(1) of the Act a registered society may, by a resolution passed at a general meeting held specially for the purpose, and with the previous sanction of the

Registrar change its liability from limited to unlimited or from unlimited, or in the case of a society of limited liability change the extent of such liability. Provided that-

(i) the society shall give two weeks notice in writing to its members and creditors of its intention to change the nature or extent of its liability;

(ii) any member or creditor shall have the option of withdrawing his shares, deposits, or loan, as the case may be, within one month from the date of the general meeting, and the change shall not take effect until all such claims have been satisfied, and

(iii) in the event of the decision to change the nature or extent of the liability being later reversed, any member or creditor who has withdrawn his share, deposits, or loans, as the case may be, under clause (ii), shall have the right to resume its interest in the society as shareholder, depositor or creditor to the same extent as he had before the withdrawal.

37. Division Of Societies :-

(1) Any registered society may, at a general meeting of the society held for the purpose of which at least seven days notice shall be given to its members, resolve to divide itself into two or more registered societies, the resolution (hereinafter in this rule referred to as preliminary resolution) shall contain proposal for the division of the assets and liabilities of the society among the new societies into which it is proposed to divide it and may prescribe the area of operation of, and specify the members who will constitute, each of the new societies.

(2) A copy of the preliminary resolution shall be sent to all the members and the creditors of the society and notice thereof shall be given to all other persons whose interests may be affected by the division of the society.

(3) Any member of the society may, notwithstanding any bye-law to the contrary, by notice given to the society within a period of one month from the receipt of the preliminary resolution, intimate his intention not to become a member of any of the new societies.

(4) Any creditor of the society may, notwithstanding any agreement to the contrary, by notice given to the society within the said period, intimate his intention to demand a return to the amount due to him.

(5) Any other person whose interests may be affected by the division may, by notice to the society within the said period, object

to the division, unless his claim is satisfied.

(6) After the expiry of the month from the receipt of the preliminary resolution by all the members and creditors of the society and or the notice by other persons given under sub-rule (2) of this rule, another general meeting of the society, of which at least fifteen days notice shall be given to its members, shall be convened for considering the preliminary resolution. If at such meeting, the preliminary resolution is confirmed by a resolution passed by a majority of the members present, either without changes or with such changes as in the opinion of the Registrar are not material, he may, subject to the provisions of sub-rule (9) and rule 4, register the new societies and the bye-laws thereof; and on such registration the registration of the old society shall be deemed to have been cancelled.

(7) The opinion of the Registrar as to whether the changes made in the preliminary resolution are not material shall be final. (8) At the general meeting referred to in sub-rule (6) provision shall be made by another resolution for-

(i) the payment of the share capital of all the members who have given notice under sub-rule (3)

(ii) the satisfaction of the claims of all creditors who have given notice under sub-rule (4); and

(iv) the satisfaction of the claims of such of the other persons who have given notice under sub-rule (5) for securing their claims in such manner as the Registrar directs;

Provided that no member or creditor or other person shall be entitled to such payments or satisfaction of the claim until the preliminary resolution is confirmed as provided in sub-rule (7)

(9) If within such time as the Registrar considers reasonable the share capital of the member referred to in sub-rule (8) is not repaid or the claims of the creditors or other persons referred to therein are not satisfied or secured, the Registrar may refuse to register the new societies.

(10) On the registration of the new societies, the assets and liabilities of the original society shall vest in the new societies in the manner specified in the preliminary resolution and confirmed under sub-rule (6): 2 [Provided that in special circumstances in the interest of cooperative movement in general and a cooperative society or a class of cooperative societies in particular, where the State Government deems it fit and expeditious division of a society or class of societies is necessary, the Government may by special order in writing exempt a society or a class of societies from the

application of any or all of the provisions of sub-rule (9) to 910) of Rule 37 and in such cases the preliminary resolution adopted under rule 37 (1) shall be deemed to be the resolution adequate to effect the division of the societies and for registration of the new society or societies in accordance with Rule 4 emerging from such division. The existing societies so divided shall continue to exist under the same registered number and date with necessary amendments as registered by the Registrar, Cooperative Societies as a result of division. In the event of such exemption having been ordered by the Government in respect of any society it shall be Incumbent upon the old registered society as well as upon the newly registered societies created by the division to receive notices of objection by any member, creditor or other person affected by the division up to one month from the date of registration of the divided new societies and to satisfy their claim in the proportion based upon the division of their assets and liabilities finalized by the Extraordinary General Meetings of the divided societies called on 15 days notice and as approved by the Registrar Cooperative Societies, whose decision in this regard shall be final.]

1. Added by G. S. R. 80 Dated 26.12.1980

38. Voluntary Amalgamation Of Societies :-

(1) Any two or more registered societies may, at a general meeting of each society held for the purpose, of which at least seven days notice has been given to their respective members, resolve to amalgamate as a new society.

(2) A copy of the resolution of each society passed under sup-rule (1) and hereinafter in this rule referred to as the preliminary resolution shall be sent to all the members and creditors thereof.

(3) Any member, and such society may, notwithstanding any bye-law to the contrary, be given to the society of which he is a member within a period of one month from the receipt of the preliminary resolution, intimate his intention not to become a member of the new society.

(4) Any creditor or any such society may, notwithstanding any agreement to the contrary, by notice given to the society of which he is creditor within the said period, intimate his intention to demand a return of the amount due to him.

(5) After the expiry of one month from the receipt of the preliminary resolution by all the members and creditors of all the societies, a joint meeting of the members of such societies of which

at least fifteen days notice shall be given to them, shall be convened for considering the preliminary resolution. If at such meeting, the preliminary resolution is confirmed by a resolution passed by a majority of the members present, either without changes or with such changes as in the opinion of the Registrar are not material, he may subject to the provision of sub-rule (8) of rule 55 and rule 4, register the new society and the bye-laws thereof, and, on such registration, the registration of the old societies shall be deemed to have been cancelled.

(6) The opinion of the Registrar as to whether the changes made in preliminary resolution are or are not material shall be final.

(7) At the joint meeting referred to in sub-rule (5), provision shall be made by another resolution for-

(i) the payment of the share capital of all the members who have given notice under sub-rule (3); and

(ii) the satisfaction of the claims of all the creditors who have given notice under sub-rule (4):

Provided that no member or creditor shall be entitled to such payment on satisfaction of the claim until the preliminary resolution is confirmed as provided in sub-rule (5)

(8) If within such time as Registrar considers reasonable, the share capital for the members referred to in sub-rule (7) is not repaid or the claims of the creditors referred to therein are not satisfied, the Registrar may refuse to register the new society.

(9) On the registration of the new society, the assets and liabilities of the amalgamated societies shall vest in the new society.

39. Compulsory Amalgamation Of Societies :-

(1) If the Registrar is satisfied, after taking into consideration the financial position of two or more societies and such other matters relating to the societies as may be proper, that it is in the interest of those societies to be amalgamated into a new society, he may, by order in writing, require the managing committees of societies concerned to convene general meeting of the share-holders and creditors thereof within six weeks from the date of the order, for the purpose of considering a proposal to amalgamate the societies into a new society.

(2) If the managing committees fail to call any such meeting for the purpose, or if the decision in any such meeting is against the proposed amalgamation, or no decision is taken at any such meeting the Registrar may on the expiry of six weeks from the date

of his order and after satisfying himself that the interest of the creditors has been adequately safeguarded direct that the said societies shall be amalgamated in to a new society with effect from a date to be specified in the direction.

(3) The Registrar shall, with effect from the said date, register the new society and on such registration the assets and liabilities on the amalgamated societies shall vest in the new society.

(4) An appeal against an order passed under sub-rule (1) shall lie, within one month from the date of such order, -

(i) If the order has been passed by any officer exercising the powers of the Registrar, to Registrar;

(ii) if the order has been passed by the Registrar, to the State Government.

(5) No action under sub-rule (2) shall be taken until the disposal of the appeal under sub-rule (4) Raising of funds

40. Borrowing :-

A registered society may raise funds for its business by obtaining loan or deposits from the State Government, the financing bank of members or non-members or by issuing bonds or debentures or otherwise in accordance with its bye-laws:

Provided that the acceptance of loans and deposits from member and nonmember shall be subject to such condition as to the maintenance of fluid resources and such restrictions as to the area and on such terms and conditions as to the amount and period of loans and deposits, dates of maturity and refund, rates of interest and notice of withdrawal, as may from time to time, be laid down by the Registrar.

41. Loans Of Members :-

(1) Loans may be granted by registered society to its members only to such extent and for such purposes and on such terms and conditions as are laid down in the bye-laws and subject to such direction not inconsistent with the bye-laws as may, from time to time, be issued by the Registrar.

(2) If a registered society is sued a requisition on any other registered society for the realization of the loan advanced to any member or the interest thereon, it shall be incumbent on the latter society to deduct the same from any money belonging to such member with the latter society after setting of its own dues, if any, against the member.

(3) An application for loan by a member of a registered society

shall be in Form IX and shall contain a declaration to the effect that the applicant pledges his property to the society for any debt due or advance to be made to him by the society subsequent to his admission as a member. Provided that the State Government may exempt any class or classes of society from the operation of this sub-rule.

42. Salary Earners Society :-

(1) In case of a registered society of salary or wage earners, loans may be advanced only on the execution of an authority slip authorizing in Form X the employer to deduct from the members salary or wage the stipulated amount of installment with interest and deductions from the members salary or wage will continue till the loan has been fully satisfied.

(2) The Society shall within a fortnight of the receipt of the authority slip forward a copy thereof duly certified in the manner specified in rule 61 to employer or the pay disbursing authority concerned for execution of the same.

(3) A member who has executed such authority slip shall, on every occasion he becomes subject to a new employer or pay disbursing authority whether by reason of change of office or place or otherwise, within a week of his becoming so subject, furnish a fresh authority slip to the society: Provided that the State Government may exempt any class or classes of salary or wage earners from the operation of this rule.

43. Investment And Deposits :-

Any funds of a registered society not invested in accordance with section 19 of the Act and not required for the business of the society shall be kept in deposit with the central Cooperative Bank of the area or the Bihar State Cooperative Bank or in the local Postal Savings Account.

44. Investment Of Fund (50 Per Cent) :-

Fifty per cent of the reserved fund of a registered society shall be invested outside the business of the society.

45. Constitution Of A Compulsory Deposit Fund :-

A registered society may constitute a compulsory deposit fund, provident fund or welfare fund for the benefit of its members on such conditions and terms as may provided in its bye-law.

46. Rebate Allowable To Members :-

A registered society may allow rebate to its members on the value or amount of their transactions with the society, subject to such general or special instructions as may, from time to time, be issued by the Registrar.

47. Reserve Fund :-

At least ten per cent of the net profit of a registered cooperative insurance society and a registered cooperative farming society and at least five per cent of the profit of registered thrift and savings society shall each year be carried to a reserve fund.

48. Availability Of Reserve Fund :-

Subject to the provision of section 18 (2) and the sanctions of the Registrar the reserve fund of a registered society shall be available for any of the purposes specified in the bye-laws of the society.

49. Bad Debt Fund :-

Any registered society may after the amount required by sub-section (1) of section 8 or rule 47, as the case may be, has been carried to the reserve fund, contribute any sum not exceeding ten per cent of its net profits to the bad and doubtful debts fund: Provided that the Registrar may permit a registered society, by a general or special order, to contribute a larger percentage of the net profits to such fund.

50. Refund Of Share Money And Transfer Of Shares :-

(1) No member of a registered society shall be entitled to transfer his share or interest in the society until he has held the same for a year and while he is indebted to the society.

(2) Share may be transferred with the approval of the managing committee to a member or to a person who has applied for membership and is eligible for admission as member and whom a committee is willing to admit as such and no other transfer shall be permitted.

(3) In the event of the managing committee refusing to admit as member a person nominated by a member as his heir or expelling a member the value of shares held by the member shall be paid to the heir or member concerned, as the case may be subject to the other provision of this rule.

(4) If a person ceases to be a member of a society on any ground other than expulsion or death, the value of the shares held by him shall on the expiry of one year in general from the date on which he ceases to be a member be refunded to him or to his heir, as the

case may be, subject to adjustment of dues, if any, of the society and no dividend shall be payable from the said date but interest may be allowed thereon at a rate not exceeding such rate as may be fixed for saving bank deposits by general meeting.

(5) If a registered society is dissolved, the net value of the share held by it in any other society as ascertained in the manner laid down in rule 25 shall, subject to the provision of section 22, be paid to the liquidator of the society, within a period of three months from the date of dissolution.

50A. Reduction Of Share Capital :-

(1) Subject to the provision of the Act and the Rules, a Cooperative Society may reduce its share capital according to the scheme approved by the Registrar and adopted by the general body of the society in a General Meeting. Such a scheme may provide for-

- (i) extinguishing or reducing the liability on any of its shares in respect of share capital not paid-up, or
- (ii) cancelling any paid-up share capital, or
- (iii) paying back any paid-up share capital which is in excess of the need of the society]

(2) The Registrar may direct a cooperative society desiring to reduce its share capital to issue a notice by registered post to every creditor who shall be entitled to object to the proposed reduction within one month from the date of receipt of such notice.

1. Ins. By letter No. 14/ legal 51- 89- 2829 dated 2.9.89

(3) If a creditor does not consent to the proposed reduction of the share capital, the Registrar may dispense with the consent of the creditor, in case the society secures payment of the debt of such creditor or satisfaction of the claim within the time specified by the Registrar.

(4) The Registrar, if satisfied, with respect to any creditor of such society. Who has object to the reduction, that either his consent to the reduction has been obtained or his debt or claim has been paid or satisfied may make an order approving the reduction on such terms and conditions as the Registrar may think fit.

(5) The resolution for the reduction of share capital of a cooperative society shall take effect from the date on which it is approved by the registrar under sub-rule (4) above: Provided that nothing in sub-rules (1), (2), (3), (4) and (5) shall prevent a Cooperative Society from adjusting partially or fully the value of the shares held by an individual member against any amount due from him or from making a refund of the value of shares held by him after the dues

of the society against him have been fully satisfied, in accordance with its bye-laws. "

51. Nomination By Member :-

(1) A member of a society may nominate any person to whom, in the event of his death, his share or interest in the society shall be paid or transferred subject to the provisions of section 22.

(2) a registered society shall keep a register of the nominees of member in such form as may from time to time to be prescribed by the Registrar.

(3) A nomination made by a member shall be in writing and deposited by him with the registered society concerned or shall be made by a declaration recorded in a book kept for the purpose by the society bearing the signature or thumb impression of the member attested by two witnesses.

(4) A nomination made by a member may be revoked or varied by him in writing and another nomination similarly made.

52. Value Of Shares :-

The value of a members share or interest in a society shall be equal to the sum actually paid by the member to acquire such share or interest:

Provided that, if the liabilities of the society exceed its as shown in the latest audited balance-sheet, the value of a members share shall not exceed the amount which would be receivable by him in respect of such share where the society to be liquidated on the last date of the preceding cooperative year. Deceased Members Interest.

53. Disposal Of Unclaimed Shares :-

if a member of a registered society dies and if the shares held by him are not disposed of in the manner prescribed in these rules, the society shall transfer the value of such share to a savings bank account.

54. Registers Of Members And Shares :-

(1) Every registered society shall maintain a register of members showing such particulars as may be specified in these rules or by an order of the Registrar.

(2) A Registered society the liability of the liability of the member

of which is limited to the value of shares held by them shall, in addition to the register of members also maintain a register of shares and share-holders in such form as may from time to time be prescribed by the Registrar.

55. Account Books, Register And Forms :-

A registered society shall maintain such other books and registers and use such forms and in such manner as may from time to time be prescribed by the Registrar.

56. Returns And Reports :-

A registered society shall submit to the Registrar and to an affiliating society. If any, such returns and reports, in such form and within such time, as the registrar may from time to time prescribe.

(2) In the event of failure of registered society to submit the prescribed returns and reports within the prescribed time, the Registrar may, by an order in writing in this behalf, authorize any person to prepare the same and the cost of preparing them shall be recoverable from the society. Audit and Account

57. Audit :-

The audit of a registered society shall be conducted and the audit report drawn up in such manner and submitted to the Registrar and such other authority as may from time to time be prescribed by the Registrar.

(2) The Registrar may revise any statement made in the audit report if, in his opinion, it does not represent the actual position of the working of the society and may order necessary modification to be made therein.

58. Statement Of Accounts And Balance Sheets :-

(1) (a) The managing committee of a registered society shall prepare such statement of accounts (including balance sheet, profit and loss account and statement of receipts and expenditures) as may from time to time be prescribed by the Registrar and submit the same to Registrar within three months of the close of the cooperative year and also produce it before the auditor.

(b) On the failure of the managing committee to prepare the account as prescribed, the Registrar may get accounts prepared and assess the cost thereof on the society and same shall be realisable from the society as audit fee.

(c) A registered society shall exhibit at its office, its last annual

balance sheet as audited and certified by the auditor, as also audit report. The Registrar may direct the publication in the official gazette of the audited balance sheet of a registered society.

59. Audit Of Wound Up Societies :-

A registered society ordered to be wound up under section 42 shall be audited on the issue of the order for winding up and again before the cancellation of the registration of the society.

60. Payment Of The Fee :-

(1) The Registrar may from time to time determine the rate of audit fee payable by registered society or a class of such societies.

(2) The Registrar may remit in part the audit fee payable by a registered society or class of such societies.

Copies of Entries

61. Certifying Copies Of Entries :-

(1) For the purpose of section 59 (1) of the Act. A copy of any entry in any book, register or list maintained by a registered society may be certified by a certificate written at the foot of such copy declaring society, and in the custody of the society. Such certificate shall be signed and dated by the Secretary of the society or by any other officer approved by the Registrar or authorised by its bye-laws and each page of copy so certified shall bear the seal of the society.

(2) Where a registered society has been placed in charge of a liquidator under section 44 of the Act, copies of entries of the nature described in sub-rule (1) shall be certified in like manner by the liquidator.

(3) The Society or the liquidator may charge a copying fee such rate as may be prescribed by the Registrar from time to time for issue of a certified copy. Custody and Preservation of Records.

62. Custody Of Account Books And Registers :-

Unless otherwise provided in its bye-laws or its rules of business approved by the Registrar, the account books, registers and records of a registered society shall be kept in the custody of the secretary or such other officer or paid staff of the society as the managing committee may authorise.

63. Preservation Of Records :-

The books and records of registered society shall be preserved for

and destroyed after such period and in such manner as may, from time to time, be prescribed by the Registrar.

64. Appointment Or Removal Of A Liquidator And Payment Of Remuneration To Him :-

(1) An order under section 42 of the Act directing that a society be wound up and an order under section 44 (1) appointing a liquidator, shall be published in the official gazette and in such other manner as the registrar may direct.

(2) The registrar may appoint any person as liquidator of a registered society in respect of which a winding up order has been passed, and may change the liquidator from time to time.

(3) A liquidator shall on removal be required to hand over all property, books, records and documents relating to the Society to such person as the Registrar may direct.

(4) Liquidator shall receive such remuneration and serve on such terms and conditions as may be determined by the Registrar and the remuneration shall be payable out of the assets of the society in priority to all other claims.

(5) The Registrar may when appointing the liquidator, prescribe the period within which the liquidation proceeding are to close and may extend this period from time to time.

65. Procedure :-

(1) The Registrar shall cause a notice to be published requiring all claims against the society to be submitted to the liquidator within one month of the publication of the notice. All liabilities recorded in the accounts books of a society shall thereon be deemed to have been duly notified.

(2) The liquidator shall take immediate possession of all assets of the society and all books, records and other documents relating to the business thereof.

(3) Subject to the approval of the Registrar, the liquidator may appoint staff to assist him in the discharge of his duties.

(4) The liquidator shall have power to convene meeting of the members of the society from time to time.

(5) The liquidator shall maintain such books and accounts as may, from time to time, be prescribed by the Registrar.

(6) In all matters the liquidator shall be subject to the control and supervision of, and be responsible to the Registrar.

(7) The liquidator shall draw up a statement of the assets and

liabilities of the society as they stood on the date of the order of winding up.

(8) The liquidator shall proceed to recover the sums due to the society and may, subject to the approval of the Registrar, institute suits for the purpose.

(9) The liquidator shall next determine the contribution to be made to the assets of the society by members, past members and nominees, heirs or legal representatives of deceased members or by any officers or past officer of the society and shall also determine by what person and in what proportion casts of the liquidation are to be borne.

(10) The liquidator shall send all processes issued by him for service to the Collector or Sub divisional Officer concerned, who on receipt thereof, shall proceed as if such processes had been issued by him as a revenue court and shall return the service report to the liquidator.

(11) The liquidator shall keep a summary of the deposition of witnesses recorded by him and a list of the documents admitted by him as evidence in the liquidation proceedings.

(12) The liquidator shall issue a notice in Form no. XI to the persons concerned demanding the proposed amount of contribution payable by each and, if an objection is filed thereto within one month of the service of the notice he shall hear and decide the objection in a summary manner.

(13) This order which shall be called the contribution order together with all papers connected with it shall be submitted to the Registrar for his approval; and the Registrar may, if he thinks fit, modify or return it to the liquidator for further inquiry or other action.

(14) When the Registrar has approved of the contribution order the liquidator may file a requisition in respect thereof before the Certificate Officer of the district of subdivision in which the society is situated in the manner provided for the recovery of a public demand under the Bihar and Orissa Public Demands Recovery Act, 1914 (Act IV, 1914).

(15) If the Certificate Officer is unable to recover the sum assessed against any person, the liquidator may from time to time make a fresh contribution order against the said person to the extent of the liability for the debts of the society, until the whole amount due to the society is realized and such fresh order shall be executed in the same manner as the original order.

(16) The liquidator shall maintain a record of the liquidation proceedings as well as an account of all moneys received and all

payments made by him.

(17) The decision of the liquidator with regard to a claim against the society, including claim for priority of payment as claimants, shall be subject to the approval of the Registrar and no payment shall be made to any claimant without the general or special sanction of the Registrar. If any liability cannot be discharge by the liquidator owing to the whereabouts of a person entitled to payment being not known, or for any other reason, the amounts representing such undischarged liability shall be deposited in such registered society or bank as may be approved by the Registrar.

(18) The liquidator shall submit to the Registrar such periodical reports and statement showing the progress made in the liquidation proceedings as the Registrar may require.

(19) All funds is charge of the liquidator and all collections made by him shall be deposited with such registered society or banks as may be approved by the Registrar.

(20) (a) If after the recovery of all sums due the society and realization on the contribution and the cost of liquidation from the members, past members and heirs, nominees or legal representatives of deceased members and if after meeting the liquidators of the society there is any surplus left liquidators shall call a meeting of the members. At such meeting the liquidators shall make a statement of the action taken by him in the liquidation proceedings. He shall submit to the Registrar a final report which shall, if there is any surplus left after payment of all liabilities of societies also contain proposal for the disposal thereof. The Registrar shall pass final orders for the disposal of the surplus and after the same has been disposed of the liquidator shall submit a further report to the Registrar.

(b) The cost of liquidation shall be the first charge on the assets of a liquidated society. The arrears remuneration of employees for services rendered shall rank next in the order and thereafter Government demands an audit fees, the dues of the other creditors shall rank next and follow the order the may be laid down by the Registrar.

(21) On the close of the liquidation proceedings the liquidator shall deposit all the books and records of the society and all the papers connected with the liquidation proceeding with the financing bank or the office of a Assistant Registrar of the area in which the society is situated or as the Registrar may direct.

(22) After all the books and records have been deposited in the manner prescribed in sub-rule (21), the Registrar shall cancel the

registration of the society.

Appeal and Revision

66. Appeal And Revision :-

(1) Every petition of appeal or revision under the Act shall be in the form of memorandum signed by the appellant and shall be presented to the appropriate authority and the memorandum shall be accompanied by copy of the order or decision against which the appeal or revision is preferred.

(2) The memorandum shall set forth the grounds of objection to the order of decision and the relief claimed.

(3) In the case of any appeal or revision under the Act the appropriate authority shall give the parties affected an opportunity of being heard and shall dispose of the objection in a summary proceeding.

(4) For the purpose of this rule the appellate authority shall have all the powers of a court of appeal as provided in the Code of Civil Procedure, 1908.

(5) A copy of the order in appeal or revision only certified to be a true copy shall be supplied to the party concerned free of cost.

67. Sanction For Appeal :-

An application for special sanction to file an appeal under section 44 (5) of the Act shall be made in writing to the Registrar within six weeks from the date of the communication of the order of the liquidator and the application shall be accompanied by a copy of the memorandum of appeal. After the Registrar disposes off the application, he shall send a copy of this order duly certified to be a true copy to the applicant and the liquidator.

68. Disputes: Arbitration :-

(1) A dispute under section 48 shall be referred to the Registrar in writing and the reference may be made-

(a) by the managing committee of the registered society interested in the dispute or by any party to the dispute, or

(b) by any member of the society if the dispute relates to the society from a member of the managing committee.

(2) Where the dispute relates to a sum due by a registered society to an affiliating society, the reference shall contain the names of the members of the managing committee and a list of the debtor-members of the former society along with the amounts outstanding

against each of them. Provided that in case of a registered society with unlimited liability is shall also contain a list of all the members of the society and the amounts due to it from each member.

(3) On receipt of such reference the Registrar shall cause a notice to be served on the opposite-party requiring him to show cause within such time as may be specified therein as to why the dispute shall not be decided in favour of the applicant-party has filed a written statement showing cause, the Registrar may decide the dispute himself or transfer it for disposal to any person exercising the powers of a Registrar in this behalf or refer it for decision to an arbitrator or arbitrators appointed by him. The Registrar shall, in for decision to an arbitrator or arbitrators appointed by him. The Registrar shall, in case there are more than one arbitrator, nominate one of them one of them to be chairman who shall preside at their meetings and act in the name of the arbitrators and carry on necessary correspondence in connection with the disposal of the case.

(4) If an arbitrator dies or refuses or neglects to act or by absence or otherwise becomes incapable of acting or if the Registrar, for any reason, considers it necessary, he shall nominate another person in place to act arbitrator.

(5) When a dispute is referred to arbitration, the Registrar may fix a timelimit for the submission of their award together with a record of the case.

(6) If during the pendency of a dispute under section 48 if the Act, any person who is a party to the dispute dies, the Registrar or the arbitrator may on an application made in this behalf, substitute the name of the nominee, heir or legal representative of the deceased person as a party and may order the issue of fresh summons to such substituted person. Where he nominee, heir or legal representative is a minor the Registrar or the arbitrator on being satisfied of the fact of his minority, shall appoint a person to be his next friend or guardian for the case in the manner provided under the Code of Civil Procedure, 1908. Where a question arises as to whether any person is or is not the legal representative of the deceased person such question shall be determined by the Registrar or the arbitrator, as the case may be.

(7) Registrar or the arbitrator shall after consideration of any evidence adduced by the parties give a decision in writing and the decision shall contain the number of reference, the names and the description of the parties, particulars of the dispute, summary of evidence, if any and the ground of decision or award and shall

specify clearly the relief granted, the amount decreed, future interest, if any, allowed, the costs awarded, the party from whom the costs shall be realized and the party in whose favors the costs awarded.

(8) If any party duly summoned to appear or produce any evidence before the Registrar or arbitrator fails to comply with the summons, the dispute may be decided ex-parte or otherwise on the basis of the materials available.

(9) When a dispute is referred to a board of arbitrators the opinion of the majority shall prevail.

(10) In proceedings before the Registrar or arbitrator a party may be represented by a legal practitioner,

(11) The Registrar may, at any stage of the proceedings before a person exercising the powers of the Registrar or before an arbitrator or arbitrators, call for and examine the records of the proceeding and may at any stage of the proceeding but before a decision or award in given withdraw the case transferred or referred under clause (b) or clause (c) of sub-section (2) of section 48.

(12) If an sum recoverable from a registered society is recovered under section 54 from a member, past member, or estate of a deceased member or a surety, it shall be duty of the society to make a corresponding adjustment in the account of the member concerned and the debt of the member if any, to such society shall be deemed to be automatically reduced to the extent of the amount recovered from, his estate or his surety, unless the Registrar directs otherwise.

(13) (a) Reference of a dispute to the Registrar shall be made in Form no. XII. application for decision shall be made in Form no. XIII, notice to parties shall be issued in Form no. XIV and summons shall be issued in Form no. XV.

(b) Notice for attachment of property and order for attachment thereof under section 50 shall issue in Form no. XXI and Form no. XXII respectively.

(c) For the purpose of mortgage award, the following forms shall be used:-

(i) Application for a mortgage decree - Form no. XVI

(ii) Notice on defaulting member- Form no. XVII.

(iii) Preliminary mortgage decree - Form no. XVIII.

(iv) Notice before final mortgage decree- Form no. XIX.

(v) Final mortgage decree- Form no. XX

69. Reference To District Judge :-

(1) Any party to a dispute under section 48 desiring that the case may be stated and referred to District Judge for decision under sub-section (8) of the said section shall within thirty days from the date of occurrence of the notice of reference under the section, make a petition in writing to the Registrar to that effect.

(2) Any person exercising the power of a Registrar or any arbitrator appointed under section 48 may, at any stage of the reference or hearing of the dispute, if he considers it advisable. Move the Registrar for action under subsection (8) of the said section and for this purpose forward the record of the case to him with statement of the reasons for making a reference to the District judge, on receipt of which the Registrar shall give a decision thereon.

Service of summons or Notice.

70. Service Of Summons Or Notice :-

(1) Every notice or summons issued under the Act or these rules shall be in writing and in such form as prescribed in sub rule (13) of rule 68 and shall be authenticated by the signature and seal of the authority by whom it is issued. It may be served by registered post or through the nearest Civil or Revenue court having jurisdiction in the area in which the society operates or by such other means as the Registrar may think fit.

(2) a summons shall require the person summoned to appear before the said authority at a stated date, time and place and shall specify whether his attendance is required to furnish any information or for the purpose of giving evidence or to produce a document, cash or other property or for all these purposes; and the document, cash or other property required to be produced shall be described in the notice or summons. , Any person summoned merely to produce a document, cash or other property may be deemed to have complied with the summons if he causes the same to be produced instead of attending personally to produce the same.

Requisition for Dues

71. Certificate At Proceedings :-

A Requisition in respect of any sum payable by any person or by any registered society under section 52, shall be sent to the Certificate Officer by the Registrar as contemplated in section 5 of the Bihar and Orissa Public Demands Recovery Act, 1914 (Act IV of 1914) Provided that in the case, if an order made by the liquidator

under the Act the written requisition shall be sent by the Registrar.

72. Procedure At Meetings :-

(1) (a) Where a compromise or arrangement is proposed between a registered society and its creditors generally or, if compromise or arrangement is proposed between the society and any class of its creditors and the Registrar orders a meeting to be held under section 24-A, he shall cause a notice to be sent by the registered society concerned, or by the liquidator where the registered society has been ordered to be wound up, to each creditor concerned informing them of the date, time and place of the meeting.

(b) The society concerned shall send a copy of such notice together with a copy of the document containing the compromise or arrangement, to each creditor other than a creditor on whom the compromise or arrangement, if sanctioned would be binding under sub-section (2) and (3) of section 24-A.

(c) The Registrar shall cause such notice together with a copy of document containing the proposed compromise or arrangement to be sent by registered post or messenger at least one month before the date fixed for the meeting to each creditor to the address noted against the name of such creditor in the books of the society.

(2) On the date, time and place appointed for the meeting under sub-rule (1), the creditors present shall choose a person to be Chairman of the meeting. Provided that the Chairman shall not be entitled to vote, if he is not one of the creditors concerned.

(3) The Chairman shall preserve order in the meeting and his decision on any point of order shall be final.

(4) Immediately after his election the Chairman shall cause a statement in duplicate to be prepared showing the names of those creditors to who are present either in person or by proxy at the meeting. The statement shall show the amount both on account of principal and interest due to each creditor to whom the said notice has been issued and who is present at the meeting either in person or by proxy. The extent of value of each creditor required for the purpose of sub-section (1) or section 24 -A shall be the total of the principal and the interest calculated up to the close of preceding cooperative year. The statement shall be authenticated by an officer authorized in this behalf by the Registrar and it shall form a part of the proceeding. The Chairman shall put in the meeting the question that the proposed compromise arrangement be agreed to.

(5) (a) Any creditor present to whom a notice under rule 72 (1) has been issued, may move an amendment to the proposed

arrangement or compromise. (b) Any creditor desirous of moving an amendment to the proposed arrangement or compromise shall send to the person issuing the notice under rule 72 a copy of the proposed amendment at least 14 days before the date of the meeting and such person shall cause copies of such amendment to be sent by ordinary post or by messenger to each creditor to whom the notice under rule 72 has been sent;

Provided that the Chairman may allow any amendment proposed by a creditor of which such notice has not been given to be considered in the meeting, if a majority of the creditors present agree to his being done.

(6) Every amendment to the proposed arrangement or compromise shall be put up at the meeting in such form as the Chairman considers most convenient for the purposes of discussion.

(7) (a) Persons present at the meeting shall speak on the question put by the Chairman or on any amendment in such order as the Chairman may direct.

(b) The Chairman may fix a time-limit for speeches.

(8) (a) The Chairman shall cause minutes to be prepared of the proceeding of the meeting and shall sign them.

(b) The minutes shall contain the names of all creditors present at the meeting and the name of each creditor voting for or against the question put the Chairman or on any amendment.

(9) If the proposed compromise or arrangement is agreed to with or without modification, the Chairman shall forthwith forward a copy of the minutes signed by him together with a copy of the draft of such compromise arrangement to the Registrar.

(10) Creditors on whom notice has been issued under sub-rule (1) of rule 72, may remain present at the meeting and may with the permission of the Chairman take part in the discussion but shall not be entitled to vote.

(11) Any member of the managing committee, any officer of the society concerned, the liquidator and any person authorized in writing in this behalf by the Registrar, may attend the meeting and may, if so required by the Chairman, take part in the discussion but shall not be entitled to vote.

(12) The Registrar may refer any question for consideration and decision at the meeting and the Chairman shall put such question to the meeting.

(13) (a) A creditor on whom the compromise or arrangement, if sanctioned, would be binding, but who is unable to be present in person at the meeting, may appoint another person as his proxy for

such meeting.

(b) Every proxy shall be appointed in such form as may be prescribed by the Registrar.

(c) The appointment of a proxy shall not be valid unless the form duly filled in is deposited at the registered office of the society at least 48 hours before the time fixed for holding the meeting.

(14) The proceeding of any meeting held under these rules shall not be invalid by reason only of the fact that any notice required to be issued under these rules was not received by any person.

73. Power To Attend Meeting :-

The Registrar or any person authorized by him may attend any meeting of a registered society called in accordance with these rules or the bye-laws of the society and take part in the deliberation but shall not be entitled to vote.

74. Seizure Of Records :-

The following categories of Government servants are authorized to exercise in their respective jurisdiction the power under clause (c) of Section - 38 and Section 45-A:-

Registrar, All additional Registrars, Joint Registrars, Deputy Registrars, District Cooperative Officers, Assistant Registrars, Block Cooperative Extension Officers Cooperative Extension Officers, Inspectors, Deputy Chief Auditors, District Audit Officers, Sub-Divisional Audit Officers, Senior Audit Officers and Managing Directors and General Managers of Central Cooperative Banks.

75. Contribution To Cooperative Conferences :-

A registered society shall not contribute any money towards the expenses of any conference unless such conference is held under the auspicious of a registered society which is authorized by its bye-laws to undertake the holding of such a conference. The society holding the conference shall keep separate account of the income and expenditure of such conference and such account shall be subject to audit. The Registrar may convene any conference of cooperative societies.

1. Subs. By G. S. R. No. 1 dated 1.2.1997. Rules 76- 77/ Forms] Bihar Cooperative Societies Rules. , 1959

76. Registrars Power Of Condonation :-

The Registrar may condone the failure on the part of any registered society to comply with any rules which required his previous sanction for any purpose.

77. Savings :-

Any action taken or order made before the commencement of these rules shall, so far as it is consistent with these rules, be deemed to have been taken or made the appropriate provisions of these rules.