
DELHI CO-OPERATIVE SOCIETIES RULES, 1950

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SCHEDULE A :-Form of application of registration of co-operative societies

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DELHI CO-OPERATIVE SOCIETIES RULES, 1950

In exercise of the powers conferred by Section 71 of the Bombay Cooperative Societies Act, 1925, as extended to the State of Delhi read with Notification No. 8/1/49- Judl., dated the 21st February, 1950, of the Government of India, Ministry of Home Affairs, the Chief Commissioner of Delhi is pleased to make the following rules to regulate the working of the Cooperative Societies in the State of

Delhi.

1. Short title :-

(1) These rules may be called the Delhi Co-operative Societies Rules, 1950.

(2) Definition. In these rules unless there is anything repugnant to the subject or context, the expression : (i) the Act means the Bombay Co-operative Societies Act, 1925 as extended to the State of Delhi; (ii) "section" means a section of the Act; and (iii) words and expressions defined in the Act and used in these rules shall have the meanings assigned to them in the Act.

2. Applications for Registration :-

(1) Every application for the registration of a society under, sub-section (1) of Section 9 shall be in the form of Schedule A hereto annexed.

(2) In addition to the copy of by-laws which is required to accompany the application for registration under sub-section (3) of Section 9, two other copies of the proposed by-laws of the society shall be forwarded therewith.

(3) In case where one of the members of the society to be registered is a registered society, a member of the Managing Committee of such registered society shall be authorised by such Committee by resolution to sign the application for registration and the by-laws on its behalf and a copy of such resolution shall be appended to the application.

3. Decision of Registrar to be communicated in the case of refusal to register :-

If the Registrar refuses to register the society or its by-laws under section 10, he shall communicate to the applicant his reasons for doing so.

4. Matter in respect of which a society shall or may make by-laws :-

(1) Matters in respect of which a society shall make by-laws are the following :

(a) the objects of the society, the purpose to which its funds are applicable, occupation of its members, if the membership is proposed to be restricted and the area for which it is to be

registered;

(b) the objects of the society, the purposes to which its funds are applicable, qualifications for membership, the terms of admission of members and their rights and liabilities, the consequences of default in payment of any sum due by a member and in the case of credit societies, the conditions on which loans may be granted, the maximum amount that may be lent to a member and the rate of interest and system of calculation of interest and, in case of non-credit societies the mode of conducting business, purchase, sale, stock taking and other like matters;

(c) withdrawal and expulsion of members;

(d) transfer of the shares or interest of members;

(e) the mode of holding meeting, and subject to the provisions of rules 5 and 6, the manner of making, altering and abrogating by-laws

(f) the mode of appointment and removal of members of the Committee and of the officers, if any, subject to rule 59 and the duties and powers of the Committee and officers

(g) the manner in which capital may be raised;

(h) the mode of custody and of investment of funds, and subject to rules 15, 18, 20 and 22, the mode of keeping accounts; and

(i) the distribution of its profits.

(2) Every society may make by-laws in respect of any other matters incidental to the management of its business.

5. By-laws :-

When a society has been registered, the by-laws submitted under sub-section (3) of section 9 shall, subject to any modification approved by the Registrar, and adopted at a general meeting, having a quorum, by a majority of not less than two-thirds of the members present at such meeting, become the by-laws of the society after they have been duly stamped with official seal of the Registrar.

6. Amendment of bye-laws :-

By-laws may be made, altered or abrogated by a resolution passed at a general meeting of the society; provided that,

(1) due notice of any proposal to make, alter, abrogate the by-laws is given in accordance with the by-laws

;

(2) the resolution is passed by not less than two-thirds of the members present at the general meeting at a quorum and a copy of the resolution is forwarded to the Registrar within a period of three months from the date of meeting. A copy of the existing by-laws so marked to show the alterations proposed to be made with a certificate that the provisions of clauses (1) and (2) of this rule have been fully complied with and three copies of the proposed amendments signed by two officers of the society, shall be attached to the copy of resolution; and

(3) the making of the alteration or abrogation of the by-laws is approved and registered by the Registrar.

7. Special general meeting at the instance of the Registrar :-

Notwithstanding anything contained in these rules or by-laws of a society as to the manner of summoning a general meeting and notice to be given for the said purpose, any person authorised in this behalf by the Registrar may call a special general meeting; for which requisition has been made by the Registrar under sub-section (2) of section 13, in such manner and at such time and place as the Registrar may direct. A special general meeting so convened shall have powers to transact all business which can be transacted at the Annual General Meeting under the by-laws framed by the society and other business as is specially mentioned in the requisition made by the Registrar.

8. Loans and deposits. :-

Every society shall, from time to time, for in a general meeting the maximum liability which it may incur in the loans and deposits from non- members. The maximum so fixed shall be subject to the sanction of the Registrar who may at any time reduce it for reason to be communicated by him to the society in writing, and may prescribe a period not being less than four months within which the society shall comply with his orders. No such society shall receive any loan or deposits from a non-member which will make its liability to non-members exceed the limit sanctioned by the Registrar.

9. Shares not to be hypothecated to the society :-

The shares of a society for a loan shall not be hypothecated to society by its members as a security for a loan.

10. Value of shares of a member :-

If a member resigns his membership of a society, or is removed under Rule 51 ,or dies, the sum representing the value of his shares or interest in the capital of the society to be paid to him or his nominee, heir or legal representative shall be ascertained as under :

(i) In the case of society with unlimited liability, it shall be the actual amount received by the society in respect of such share or interest.

(ii) In the case of society with limited liability, it shall be the amount arrived at by a valuation based on the final position of his society as shown in the last audited balance sheet preceding the resignation, removal or death of such member provided that it shall not exceed the actual amount received by the society in respect of such shares or interest.

11. Deposits with Agricultural Credit Society :-

Agricultural credit societies shall not accept deposits which are not fixed for a period of at least two months, except savings deposit in such societies as have made in their by-laws provision for encouragement of thrift among their members by the opening of the savings accounts.

12. Loans and suretyship of non-members :-

No society shall make any loan to a member on a bond secured by suretyship of a non-member; provided that the Registrar may for a special reason, exempt any society by name from the operation of this rule.

13. Writing off of losses :-

Losses may be written off against firstly the bad debt fund and then the reserve fund of any society, and in the case of limited societies, if losses exceed the bad debt fund and the reserve fund the balance remaining may be written off against the share capital of the society:

Provided that (i) no losses shall be written off without a sanction of a general meeting; (ii) before any such losses are so written off, the society if it is affiliated and indebted to a Central Bank, shall obtain the approval of the Central Bank in writing which approval

shall be given after consultation with the Assistant Registrar and shall be countersigned by him. If the society is not so affiliated or if the society is so affiliated and is not indebted to the Central Bank, it shall first obtain the approval of the Assistant Registrar in writing; and (iii) if the society itself is a Central Bank, the approval of the Registrar, shall first be obtained. Provided further that the Assistant Registrar or the Registrar, as the case may be, may while according or countersigning the approval impose such condition as to restoration of part or whole of the amount written off to the Reserve Fund from out of future profits, as he deems fit. Explanation. "Losses" include losses on account of bad debts also.

14. Interlending. :-

For the purpose of sub-section (1) of section 34, a loan also means and includes a deposit made by one society with another society.

15. Accounts, returns and documents. :-

(1) Every credit society shall keep the following accounts and books, viz.

(a) a register of members including persons nominated under section 27;

(b) a register of shares and debentures (where capital is raised by shares or debentures);

(c) a share transfer register (where capital is raised by shares (debentures);

(d) cash account;

(e) members loan account;

(f) deposit account;

(g) loan register;

(h) interest account;

(i) expense account;

(j) bank account;

(k) minute book, recording the proceedings of general meetings;

(l) minute book, recording the proceeding of the Committee;

(m) register of members' creditworthiness; and

(n) such other accounts and books as may from time to time be prescribed by the Registrar :

Provided the Registrar may exempt any society or class of societies from the operation of clause

(m) mentioned above.

(2) Societies other than credit societies shall keep the accounts and books mentioned in clauses (a), (k), (d) and (1) of sub-rule and such other accounts and books as may be approved from time to time, required by the Registrar.

(3) The Registrar may by order in writing, direct any society to get any or all the accounts and books required to be kept by it under sub-rules (1) and (2) written upto such date and in such form and within such time as he prescribes.

16. By whom copies of documents or entries may be certified :-

For the purpose of Section 31 copies of documents or entries in the books of a society may be certified by any officer of the society.

17. Inspection of documents :-

Members of co-operative societies or the public may be permitted on payment of a fee of rupee one for each occasion of inspecting, to inspect for any lawful purpose any of the following documents filed in the office of the Registrar of Co-operative Societies and may obtain certified copies on payment of following fees :

18. Registrar may require statement and returns to be furnished :-

The Registrar may require any society to submit any statement and any periodical return of receipts and disbursement on such dates and in such form as he may prescribe. Every housing society shall submit a property register to the Registrar on such dates and in such form as he may prescribe.

19. Preparation of necessary statements or returns or accounts or books at the expense of the society :-

In case of failure by any society to submit any statement of return mentioned in rule 18 or to maintain any accounts or books mentioned in rule 15 or to get such accounts or books written according to the direction given by the Registrar under rule 15, Registrar may depute an officer of the Provincial Government or the

Delhi Audit Fund or any Registered Accountant to prepare the necessary statement or return or account or books at the expense of the society. Such expenses shall be recoverable from the society in the manner specified in section 65.

20. Periodical financial statements to be furnished :-

All registered societies classified by the Registrar as Central Banks or as Urban Banks with a working capital of more than Rs. 50,000 shall submit to that officer a quarterly finance statement in the form prescribed by Government for the quarter ending February 28th, May 31st, August 31st and November 30th not later than March 15th, June 15th, September 15th and December 15th respectively.

21. Maintenance of fluid resources :-

All societies which obtain any portion of their working capital by deposit shall maintain such fluid resources as may from time to time be prescribed by the Registrar.

22. Annual balance sheet :-

On or before July 15th of each year, the Committee of every society shall prepare an annual balance sheet, showing : (a) the profit and loss, (b) the receipts and expenditure of the previous financial year, and (c) the assets and liabilities as they stood on June 30th. This balance sheet shall be open to the inspection of any member during office hours at the office of the Society and a copy thereof shall be submitted before July 15th to the Inspector, Co-operative Societies incharge of the society.

23. Transfer of interest :-

The name and address of every person nominated under section 27 and any revocation or variation of such nomination shall be entered in the register kept under rule 15(a).

24. Nomination of persons. :-

A member may by writing under his hand deposited with the society during his life-time, or by statement signed by him in the register of members of the society nominate any person or persons to whom under section 17 his share or interest in the society or so much thereof as may be specified in such nomination, shall be paid or transferred on his death, but, no member may nominate more than one person in societies with share capital unless he holds more than one share and in any case unless the amount to be paid to such nominee, whether by way of whole shares or by fixed

proportion of the amount available for transfer, as the case may be, is duly specified when the nominees are appointed. The nominee or nominees may become members only if admitted by the society in accordance with its by-laws. (2) A nomination so made may be revoked or varied by another nomination similarly made.

25. Distribution of profits :-

In calculating the profits of society for the year, all accrued interest which is overdue shall be deducted from the gross profits of the year before the net profits are arrived at. All accrued interest, that has been so deducted from the profits of the year and is actually recovered during the subsequent year, may be added to the profits of the subsequent year.

26. Distribution of bonus :-

No registered society shall distribute any bonus on shares beyond the dividend declared under section 31.

27. Payment of dividend by customers producers or housing societies :-

(1) No society shall pay its shareholders a dividend exceeding 8 1/4% in any year on the paid-up share capital standing in the name of each shareholder.

(2)

(a) No Resource or General Society shall without the previous written sanction of the Registrar, pay to its shareholder a dividend exceeding 6 1/4% (inclusive of bonus, if any) in any year on the paid-up share capital standing in the name of each shareholder.

(b) Such society may credit in any year a sum not exceeding 2 per cent on the paid-up share capital to a fund called the "Dividend Equalisation Fund" until the total amount in such fund amounts to 6 1/4% of the paid-up share capital. Except for the purpose of paying a dividend no withdrawals from such fund shall be made without the previous written sanction of the Registrar. No society shall declare dividend at a rate exceeding that recommended by its Managing Committee or Board of Directors, as the case may be.

28. Distribution of balance of profits :-

Any distribution of the remaining balance of profits under section 40 and after the distribution of dividend under section 38, shall be in accordance with the by-laws of the society regarding such

distribution. It shall be in proportion to the wage earned by each member in the case of a Producer's Society, and to the amount of goods purchased by each member or where it is so provided in the by-laws, by each member or customer in the case of a Customer's Society. It shall also be in proportion to the amount of rent paid by each member in the case of a Housing Society, and in the case of a Resource Society may be in proportion to the goods obtained or sold through the society by each member, or to the loans borrowed from, and the deposit made with the society by each member.

29. Restriction on distribution of funds by way of bonus, dividend and otherwise :-

(a) Without the sanction of the Registrar, no part of the funds of a registered society shall be divided, by way of bonus or dividend or otherwise amongst its members in any year unless the entire expenditure incurred by such society has been debited in the annual profit and loss account before the net profit has been calculated :

Provided that any loss or portion of loss on account of bad debts written off during the year may not be so deducted if it be deducted with the sanction of the Registrar from the Bad Debts Fund or the Reserve Fund.

(b) No dividend shall be paid by any society while any claim due from the society to a depositor or lender remains unsatisfied.

30. Co-operative conference and contributions to expenses thereof by societies :-

No society shall contribute any money towards the expenses of any cooperative conference unless such conference is held under the auspices of a society which is authorised by the by-laws to hold such conference. The society holding such conference shall keep separate accounts of its income and expenditure due to such conference and such account shall be open to audit by the Registrar or the persons authorised by him under section 22.

31. Investments of funds :-

With the previous sanction of the Registrar any society may invest its funds, or a portion thereof :

(a) in the shares of the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934,

(b) in Government of India loans and securities,

(c) in the purchasing of leasing of land or buildings, and

(d) in the construction of buildings provided that the purchase of such land or the construction of such building, is likely to be advantageous to the society in the conduct of its business.

32. Reserve fund :-

The reserve fund of any society may be utilised in the business of the society, or be invested or deposited in any of the ways mentioned in clauses (a), (b), (c) and (d) of section 31. The Registrar may for reasons to be communicated in writing by him to the society by general or special order, direct that the latter course be adopted. In the case of a society constituted with the object of co-operative housing on co-partnership tenancy basis the reserve fund may be utilised for expenditure in the maintenance, repair and renewal of the buildings of the society.

33. Buildings fund :-

The fund created by any registered society for the purpose of constructing buildings shall be called "Building Fund". The amount of such fund may, when it is not utilised for the construction of buildings, be used in the business of a society or be invested or deposited in the same manner and subject to the same conditions as the reserve fund of society is permitted to be used, invested or deposited under the Act and these rules.

34. Levy of audit fee :-

The Registrar may levy audit fee on all or any type of societies at such rates as may be fixed by him from time to time. The Registrar shall employ the proceeds of such audit fees in maintaining a staff to audit the accounts of and supervise the societies. Such audit fees are recoverable under Section 65.

35. Arbitration :-

When a dispute has been referred to the Registrar under section 54, the Registrar or his nominee shall issue a notice to all parties and unless either of the parties desires within 15 days of the issue of such notice that the matter be referred to arbitration, shall proceed to decide the dispute himself. When either of the parties desires that the matter be referred to arbitration, the Registrar (or his nominee) shall call on each party to nominate its arbitrator within 15 days, and to send a statement signed by the proposed arbitrator, about his willingness to serve as an arbitrator. When

there are more persons than one on each side, the principal party on each side will have the right to nominate the arbitrator. In such case the Registrar will decide who is the principal party and his decision shall be final. When either of the parties fails to make a nomination within the period aforesaid, the Registrar may nominate an arbitrator on behalf of such party. The Registrar or his nominee will act as Chairman of the Committee of the Arbitrators. He will fix the date and place of hearing the dispute and carry on the necessary correspondence in connection with the disposal of the case. When any dispute is referred to the Registrar's nominee or to the arbitrators for decision and is not decided by them within two months or such further period as the Registrar may allow, the Registrar may decide the dispute himself or refer again to his nominee for decision.

36. Registrar may appoint any person to be his nominee, for any specified area :-

The Registrar may appoint any person to perform the duties of his nominee for disputes arising in anyone or more co-operative societies within any area specified in the order, for a period to be specified in the order. Such period shall not ordinarily exceed one year but may be extended by further special order for further period not exceeding one year at a time.

37. Payment of expenses of arbitration :-

The Registrar or his nominee and the arbitrators shall have power to order the expenses determining the disputes to be paid out of the funds of the society, or by such party or parties to the dispute as they may think fit according to a scale laid down by the Registrar. The Registrar may fix the fees to be paid to his nominees out of expenses so recovered.

38. Procedure in arbitration proceedings :-

The Registrar or his nominee shall record a brief note in English or in vernacular of the evidence of the parties and witness who attend, and upon the evidence so recorded and upon consideration of any documentary evidence produced by either side, a decision or award, as the case may be, shall be given in accordance with justice, equity and good conscience and shall be reduced to writing. If any party duly summoned to attend fails to appear, the dispute may be decided ex parte. In cases where three arbitrators are appointed, the opinion of the majority shall prevail. In case of equality of votes, the matters shall be decided by Registrar himself.

39. Appearance by pleaders :-

In proceedings held under rules 35 to 38, no party shall be represented by a legal practitioner.

40. Execution of arbitration order in special case :-

Subject to the provisions of section 59 of the Act, the Registrar may, by an order in writing, specially authorise any officer of the Co-operative Department or Delhi Audit Fund, not below the rank of a Sub-inspector, to call for and send arbitration orders obtained by any society for execution. The societies in respect of which these powers are to be exercised by the officers authorised shall be mentioned in the order.

41. Liquidation :-

When a liquidator has been appointed under section 47, the following procedure shall be adopted :

1. The appointment of the Liquidator shall be notified by the Registrar to the President of the society concerned and to the Central Co-operative Bank to which it is affiliated.
2. The Liquidator shall at once take charge of books and property and assets of the society and publish, by such means as he may think proper, a notice requiring all claims against the society to be notified to him within two months of the publication of the notice. He shall, thereafter, proceed to take such further action as he is empowered to take under the Act. All liabilities, recorded in the account books of a society, shall be deemed to have been duly notified to the liquidator.
3. The Liquidator shall make separate order against the various members and past members of the society noting the amount to be realised from each as a contribution under clause (b) of section 50 and as the cost of liquidation under clause (i) of the said section. These orders shall be submitted for approval to the Registrar, who may modify them or refer them back to the Liquidator for further enquiry or other action or may forward them for execution under section 59.
4. If the sum assessed against member is not recovered, the Liquidator may frame a subsidiary order or order against any other member or members to the extent of liability of each for debts of the society, until the whole amount due from members, is recovered and these orders shall be dealt with in the same way as orders under sub-rule (3).

5. The Liquidator shall submit a quarterly progress report to the Registrar in such form as the Registrar may require.

6. All funds in charge of the Liquidator shall be deposited in the Post Office Savings Bank or in the Central Co-operative Bank or in State Bank of India and shall stand in his name.

7. The Registrar shall fix the amount of fee, if any, to be paid to the Liquidator.

8. At the conclusion of the liquidation a general meeting of the society shall be called at which the Liquidator shall summarise his proceedings, point out the causes of the failure of the society, and report what sum, if any, remains in his possession after meeting all the liabilities of the society, as determined under the rules.

42. Execution of orders :-

Every order passed by the Registrar under section 50A and every order issued under Section 55, shall, if not carried out, be executed in accordance with Section 52.

43. Recovery of costs of execution when property is not sold :-

When recovery is made under Section 59, in execution of any order referred to in the said section, and property is not sold, such execution, the Registrar may order the expenses of such recovery to be paid by any party in default according to scale laid down by him not exceeding in aggregate five per cent of amounts of the dues.

44. Recovery of expenses when recovery of dues is made through village officers :-

Subject to the provisions of rule 43 when recovery is made under Section 59 in execution of any order referred to in the said section by village officers, the Registrar may order the expenses of such recovery to be paid out of the funds of the society or by such party or parties in default, as he may think fit, according to a scale laid down by the Registrar.

45. Disposal of records of a society whose registration is cancelled :-

(1) When an order directing a society to be wound up is issued under Section 47 and no Liquidator is appointed, the officers of the society which is wound up shall within 15 days of the issue of the

order by Registrar, send by registered book post or railway parcel, the record and books of the society to the Assistant Registrar or hand over the same to the local inspector.

(2) When the affairs of the society for which a Liquidator has been appointed have been wound up, an order cancelling the registration is made under section 42, the Liquidator will forward all the books and record of the cancelled society and all his own paper and proceeding, to the Assistant Registrar together with an account of his expenses, showing how the balance has been disposed off and attaching the receipt of the person to whom it was handed over.

(3) All the books and records of a society whose registration has been cancelled and the proceeds of liquidation shall be destroyed by the Assistant Registrar, after the expiry of two years from the date of the order, cancelling the registration of the society.

46. Interest in Liquidation proceedings :-

On any debt which is due from the society that is being wound up, the creditor may move interest upto the date of the Registrar's order for winding up at a rate, which in the case of a District Central Co-operative Bank or the Cooperative Bank permitted by the Registrar to finance societies, shall be the contract rate and in other cases shall be a rate to be fixed by the Registrar and not exceeding the contract rate :

Provided that, if any surplus assets remain after all liabilities, including liabilities on shares, has been paid off, further interest on such debt at a rate to be fixed by the Registrar and not exceeding the contract rate may be allowed to creditors from the date mentioned above upto the date of the repayment of the principal.

47. Service of the summons miscellaneous :-

Summons as issued by the Registrar, or by a person authorised to hold an enquiry or to make an inspection by the Auditor or the Liquidator or by the Registrar's Nominee, under Section 58 shall, if sent for service to a Tehsildar, be served by such officers.

48. Fees to be credited to Government :-

All (fees) fines levied under Section 61 and rule 47 shall be credited to Government.

49. Mode of serving summons :-

(1) A summon issued by any of the officers mentioned in rule 47

may be served personally or through Tehsildar or any member of the Co-operative Department, or Chairman or Secretary of the society or by registered post, acknowledgement paid.

(2) The serving officer, in all cases in which summons has been served, endorsed or annexed or cause to be endorsed or annexed on or to the original summons a return stating the time when, and the manner in which the summons was served, and the name, and address of the persons (if any), identifying the persons served, and witnessing the delivery or tender of the summons.

(3) The persons issuing the summons may examine the serving officer on oath or cause him to be examined by the Tehsildar through whom it is served, and make such further enquiry in the matter as he thinks fit, and shall either declare that the summons has been duly served or order is to be served in such manner as he thinks fit.

(Attachment of movable property other than agricultural produce in possession of debtor)

50. rocedure for the custody of property attached under section 55 of the Act. :-

(1) Where property to be attached is movable property, other than agricultural produce, in the possession of the debtor, attachment shall be made by actual seizure and the attaching officer shall keep the property in his own custody or in the custody of one of his subordinates, or of a receiver, if one is appointed under sub-rule (2) and shall be responsible for the due custody thereof :

Provided that when the property seized is subject to speedy and natural decay or when the expense keeping it in custody is likely to exceed its value, the attaching officer may sell at once.
(Attachment of immovable property)

(2) Where it appears to the officer ordering conditional attachment under section 56 to be just and convenient, he may appoint a Receiver for the custody of the movable property attached under sub-rule (1) and his duties and liabilities shall be identical with those of a Receiver appointed under Order XI of Schedule 1 to the Code of Civil Procedure, 1908.

(3)

(i) Where the property to be attached is immovable, the attachment shall be made by an order prohibiting the debtor from

transferring or charging the property in any way, and all persons from taking any benefit from such transfer or charge.

(ii) The order shall be proclaimed at some place on or adjacent to such property by the beat of a drum or other customary mode, and a copy of the order shall be fixed on a conspicuous part of the property and then upon a conspicuous part of village abadi and also where the property is and paying revenue to the Government in the office of the Collector of the district in which the land is situated.

51. Restriction of membership of two credit societies :-

No person being a member of a co-operative credit society or any society dispensing credit other than a land mortgage bank or general financing society or sale society shall be a member of any other society of a similar type without the general or special sanction of the Registrar, or the Deputy Registrar or the Assistant Registrar and where a person has become a member of two or more societies, any or all such societies shall be bound to remove him from membership upon receiving a written requisition from the Registrar or the Deputy Registrar or the Assistant Registrar to that effect.

52. Consumers society not to refuse admission to membership without sufficient cause :-

(1) No consumers society shall, without sufficient cause refuse admission to membership to any person duly qualified therefor under its by-laws.

(2) Any person aggrieved by the decision of consumer societies refusing admission to him of its membership may appeal to the Assistant Registrar, Cooperative Societies, Delhi.

(3) The decision of the Assistant Registrar, Co-operative Societies, Delhi in appeal shall be final.

53. Societies not to be involved in controversial matters of a religious character :-

No society may take any action which would involve the society in the discussion or propagation of controversial opinions of a religious character, and the Registrar may prohibit any action or rescind any resolution which in his opinion is of such a tendency.

54. Registrar to keep a record of names, addresses and by-

laws of societies :-

The Registrar shall keep a Register of the names and addresses of all registered societies and shall record a copy of the registered by-laws and subsequent amendments to the by-laws of such societies.

55. Restriction on being a member of Committee :-

(1) A member of consumers society who carries on business of the kind carried by such society shall not be eligible to be a member of the Committee of such society without the general sanction of the Assistant Registrar, Cooperative Societies, Delhi.

(2) Where such person has been elected a member of the Committee of such society without the sanction of the Assistant Registrar, Co-operative Societies, Delhi, such person shall cease to be a member of such society upon receipt by the Committee of a written requisition on this behalf from the Assistant Registrar, Co-operative Societies, Delhi.

(3) A member is not eligible for the Committee of any co-operative society, if :

(a) he is under 21 years of age except in registered societies in colleges and schools where he may be 18 years of age;

(b) except in a producers society he holds any office of profit under the society or receives any honorarium; or

(c) (in a resource society), he lends money on his own account.

(4) A member of the Committee shall cease to hold office, if :

(a) he ceases to be a shareholder; or

(b) he is declared insolvent or applies for insolvency; or

(c) he becomes of unsound mind; or

(d) he is convicted of any offence involving dishonesty or moral turpitude; or

(e) he resigns and his resignation is accepted by the Committee;

(f) except in producers society, he accepts any office of profit under the society or receives any honorarium; or

(g) in a credit society, he lends money on his own account.

56. . :-

(1) Notwithstanding anything contained in the by-laws of a society, Government may, by an order published with the reasons therefor in the Delhi Government Gazette

(a) remove all the members of the Committee of a society, and appoint a new Committee in their place; or

(b) remove any of the members of the Committee of a society, and appoint one or more members, as the case may be, in the place of the members so removed

(2) When Government has appointed a new committee under clause (a) of sub-rule (1), Government may direct that the members of such Committee shall hold office for a period not exceeding three years from the date of their appointment. The member or members appointed under clause (b) of sub-rule (1) shall hold office so long only as the member or members, in whose place he is or they are appointed, would have held office, if the vacancy or vacancies had not occurred.

(3) The Committee or the member so appointed shall, during the period in which they hold office under sub-rule (2) perform the duties and exercise the powers of the members of the Committee of the society. (4) The by-laws relating to the meeting of a committee of the society, shall apply to the meeting of the new committee appointed under clause (a) of sub- rule (1) except that the quorum shall be three.

57. Issue of proclamation prohibiting private transfers of property. :-

The Registrar, Liquidators or Assistant Registrar acting under clause (a) or clause (b) of section 59 of the Act shall, at the same time that he signs a certificate effecting any property, issue a proclamation in the form prescribed in Schedule B annexed hereto and, in the case of immovable property shall also forward a copy of the proclamation of the Tehsildar of the Tehsil in which the property is situated.

58. Transfer of property under Section 59A :-

(1) When in execution of an order sought to be executed under Section 59, any property cannot be sold for want of buyer, if such property is in the possession of the defaulter, or of some person on his behalf, or of some person claiming it under a title created by the defaulter subsequently of the issue of the certificate by the

Registrar, Liquidator or Assistant Registrar under clause (a) or (b) of sub-section (1) of the said section, the officer conducting execution shall as soon as practicable report the fact to : (a) the Court or the Collector, as the case may be, and (b) the society which applied for the execution of the said order.

(2) On receipt of a report under sub-rule (1) the society may within six months from the date of the receipt of the report, or within such further period as may for sufficient reason be allowed in any particular case by the Court or the Collector, as the case may be, submit an application in writing to the Court or the Collector, as the case may be stating the terms and conditions on which it agree to take over such property.

(3) On receipt of an application under sub-rule (7) notes shall be issued to the defaulter and to all persons known to be interested in the property, including those whose names appear in the Record of Rights as persons holding interest in the property about the intended transfer.

(4) On receipt of such a notice, the defaulter, or any person owning such property, or holding an interest therein by virtue of a title acquired before the date of the issue of a certificate under Section 59 may within one month from the date of the receipt of such notice deposit with the Court or the Collector, as the case may be, for payment to the society a sum equal to amount due under the order sought to be executed together with interest thereon and such additional sum for payment of cost and other incidental expenses as may be determined in this behalf by the Court or Collector, as the case may be.

(5) On failure of the defaulter, or any person interested or any person holding any interest in the property to deposit the amount under sub-rule (4) the Court or the Collector, as the case may be, shall direct the property to be transferred to the society on the conditions stated in the certificate in the form prescribed in the Schedule annexed hereto.

(6) The certificate granted under sub-rule (5) shall state whether the property is transferred to the society in full or partial satisfaction of the amount due to it from the defaulter.

(7) If the property is transferred to the society in partial satisfaction of the amount due to it from the defaulter, the Court or the Collector, as the case may be, shall on the production, by the

society of a certificate signed by the Registrar, recover the balance due to the society in the manner prescribed in section 59.

(8) The transfer of the property under sub-rule (5) shall be affected as follows :

(i) In the case of movable property :

(a) where the property is in the possession of defaulter himself or has been in possession on behalf of the Court or the Collector, it shall be delivered to the society;

(b) where the property is in possession of some person on behalf of defaulter, the delivery thereof shall be made by giving notice to the person in possession directing him to give actual peaceful possession to the society and prohibiting him from delivering possession of the property to any other person; and

(c) the property shall be delivered to a person authorised by the society to take possession on behalf of the society,

(ii) In the case of immovable property :

(a) where the property is a growing or standing crop, it may be delivered to the society before it is cut and gathered and the society shall be entitled to enter on the land and to do all that is necessary for the purpose of tending, cutting and gathering it;

(b) where the property is in the possession of the defaulter or of some person on his behalf or some person claiming under a title created by the defaulter subsequent to the issue of certificate under Section 59, the Court or the Collector, as the case may be, shall order delivery to be made by putting the society or any person whom the society may appoint to receive delivery on its behalf in actual possession of the property and if need be by removing any person who illegally refuses to vacate the same after holding an enquiry as provided in rules 13A to 13C of the Rules, regulating execution of decrees transferred to the Collector under Section 68 of the Code of Civil Procedure, 1908; and

(c) Where the property is in the possession of a tenant or other person entitled to hold the same by a title acquired before the date of issue of a certificate under Section 59, the Court or the Collector, as the case may be, shall order delivery to be made by affixing a copy of the certificate of transfer of the property to the society in some conspicuous place on the property and proclaiming to such

person by beat of drum or other customary mode at some convenient place, that the interest of the defaulter has been transferred to the society.

(9) The society shall be required to pay expenses incidental to sale including the cost of maintenance of livestock, if any, according to such scale as may be fixed by the Government from time to time.

(10) Where land is transferred to the society under clause (ii) (a) of sub-rule (8) before a growing or standing crop is cut and gathered, the society shall pay the current year's land revenue on the land.

(11) The society shall forthwith report any transfer of property under clause (ii) (b) or (c) of sub-rule (8) to the village patwari for information and entry in the Record of Rights.

(12) The society to which property is transferred under sub-rule (5) shall maintain for each defaulter a separate account showing all the expenses incurred including payment of outside encumbrances, land revenue and other dues on the property and all the income derived from it.

(13) The society to which property is transferred under sub-rule (5) shall use its best endeavour to sell the property as soon as practicable to the best advantage of the society, as well as that of defaulter, the first option being always given to the defaulter who originally owned the property. The sale shall be subject to confirmation by the Assistant Registrar. The proceeds of the sale shall be applied to defraying the expenses of the sale and other expenses incurred by the society and referred in sub-rules (9) and (12) and to the payment of the arrears due by the defaulter under the order in execution, and the surplus (if any) shall then be paid to the defaulter.

(14) Until the property is sold, the society to which the property is transferred under sub-rule (5) shall use its best endeavour to lease it or to make any other use that can be made of it so as to derive the largest possible income from the property.

(15) When the society to which property is transferred under sub-rule (5) has realised all its dues under the order in execution of which the property was transferred from the proceeds of the management of the property, the property, if unsold, shall be restored to the defaulter.

59. . :-

(1) In societies of the following classes namely, Central Banks, Banking Unions, Mortgage Banks, Commission Shops and other federal societies, consumers, producers and multipurpose societies, the appointment of officers and staff (other than members of the Committee) shall be subject to such directions as the Registrar may from time to time issue in regard to their technical and educational qualifications and in regard to the deposit of security.

(2) Except with the previous sanction of the Registrar, no relative of any member of Committee or of the Honorary Secretary of the society in question shall be appointed to such office.

Explanation. Relative includes, anyone related to the person concerned or to his wife through a common ancestor not more remote than a great grandfather, or anyone married to a person so related.

60. . :-

Power to make rules under section 17 in respect of clauses (h), (i) and (1) is delegated to the Registrar of Co-operative Societies.

SCHEDULE A

Form of application of registration of co-operative societies

| SCHEDULE 'A' | | | | | | | |
|---|----------------|---------------|-------|-----|------------|-----------|-----------|
| (See | | | | | | | |
| rule 2) Form of application of registration of co-operative societies | | | | | | | |
| 1. Name of proposed society. | | | | | | | |
| 2. Address to be registered. | | | | | | | |
| 3. Class of society. | | | | | | | |
| 4. Is liability limited or unlimited? | | | | | | | |
| 5. Area of operation. | | | | | | | |
| 6. No. of members at present. | | | | | | | |
| 7. What is the occupation of members? | | | | | | | |
| 8. Capital with details of shares, deposits, fees, etc. | | | | | | | |
| 9. Number and value of share proposed to be used. | | | | | | | |
| 10. Managing Committee, | | | | | | | |
| We, the undersigned, apply that the above society may be registered under Section 10 of the Bombay Co-operative Societies Act, 1925, as extended to the State of Delhi. We enclose herewith three copies of the proposed by-laws duly signed. | | | | | | | |
| S.No. | Name of member | Father's name | Caste | Age | Profession | Residence | Signature |
| | | | | | | | |

SCHEDULE B

Form of proclamation to be issued prohibiting any private transfer or delivery of or encumbrance or charge on the property made or created after the issue of a certificate under Section 59

SCHEDULE 'B'

Form of proclamation to be issued prohibiting any private transfer or delivery of or encumbrance or charge on the property made or created after the issue of a certificate under Section 59 A. In case of immovable property.

Whereas Society has obtained an award or awards

under section 54 or an order or orders of Liquidator under Section 50 of the Bombay Co-operative Societies Act, 1925, as extended to the State of Delhi for

an amount of Rs against and purpose to execute the same sale of the

undermentioned property of the said defaulter or defaulters and

whereas the said society has obtained a certificate dated the for

execution of the award or the order, as the case may be, under Section 59 of the said Act, notice is hereby given that any private transfer or delivery or encumbrance or charge on the property made or created after the issue of the certificate shall be null and void as against the said society.

| Description of the Property | | | | | |
|-----------------------------|--|------------|------|------------|---------|
| Date of award for order | Name of the parties against whom award or order has been passed and certificate under section 59 has been issued | Survey No. | Area | Assessment | Remarks |
| | | | | | |
| | | | | | |

SCHEDULE C

SCHEDULE

SCHEDULE 'C'

Form of certificate for transfer of property under section

59A (See rule 58)

In the case of immovable property:

Whereas in execution of award or awards passed under Section 54 or an order or orders made by the Liquidator under Section 50 of Bombay Cooperative

Societies Act, 1925, as extended to the State of Delhi, in favour of Society an order was made on the day of 20 for

the sale of the under mentioned property of the person or persons (defaulter or defaulters) and whereas the Court or Collector is satisfied that the said property cannot be sold for want of buyers.

It is hereby ordered under sub-section (1) of section 59A of the said Act that the right, title and interest of the defaulter shall vest in the said society and shall be delivered to the society subject to the terms and conditions laid down in the schedule hereto annexed.

| Description of the property | | | |
|-----------------------------|--------------------|--|---|
| Survey No. | Area of assessment | Nature of right, title and interest of the defaulter | Details of encumbrances to which property is subject. |
| | | | |
| | | | |
| | | | |