

Goa Co-Operative Societies Rules, 2003

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Goa Co-Operative Societies Rules, 2003

CHAPTER 1 Preliminary

1. Short title, extent and commencement :-

(1) These rules may be called the Goa Co-operative Societies Rules, 2003.

(2) They shall extend to the whole of the State of Goa.

(3) They shall come into force on such date as the State Government may, by notification in the Official Gazette, appoint.

2. Definitions :-

(1) In these rules, unless the context otherwise requires,- (a) "Act" means the Goa Co-operative Societies Act, 2001 (Act 36 of 2001);

(b) "constituency" means an electoral division as specified in the bye-laws of the society;

(c) "delegate" means a representative elected to the general body of a society in accordance with the provisions of section 69 of the Act;

(d) "Form" means a form appended to these rules.

(2) Words and expressions used in these rules but not defined shall have the same meaning as assigned to them in the Act.

CHAPTER 2 Registration

3. Designation of persons appointed to assist the Registrar :-

The persons appointed to assist the Registrar under section 4 of the Act shall be designated as the Additional Registrars, Joint Registrars, Deputy Registrars or Assistant Registrars.

4. Application for registration :-

(1) Every application for registration of a society under sub-section (1) of section 7 of the Act shall be made in Form A in any of the following languages viz. Konkani, Hindi, Marathi and English and shall, subject to the provisions of sub-rules (2) and (3), be duly signed by the applicants and be accompanied by-

(a) four copies of the proposed bye-laws of the society;

(b) a certificate from the bank or banks stating the credit balance in favour of the proposed society therein;

(c) a list of persons who have contributed to the share capital, together with the amount contributed by each of them and the entrance fee paid by them;

(d) a copy of the Scheme showing the details explaining how the working of the society will be economically sound and where the Scheme envisages the holding of immovable property by the society, the description of immovable property proposed to be purchased, acquired or transferred to the society; and

(e) a copy of the resolution passed at the promoters meeting appointing the Chief Promoter, duly signed by the promoters.

(2) Where, any member of a society to be registered is a registered

society, a member of the committee of such registered society, shall be authorised by the committee by a resolution to sign the application for registration and the bye-laws on its behalf, and a copy of such resolution shall be appended to the application.

(3) Where any member of a society to be registered is a firm, company, corporate body, a society registered under the Societies Registration Act, 1860 (21 of 1860) or under any other law in force or a public trust registered under any law for the time being in force relating to registration of public trusts, or a local authority, then such firm, company, corporate body, society, public trust or local authority shall duly authorise any person to sign the application for registration and the bye-laws in its behalf and a copy of the resolution giving such authority shall be appended to the application.

(4) The application shall be sent to the Registrar by registered post or delivery by hand.

5. Registration :-

(1) On receipt of an application under rule 4 and after scrutinising and ensuring that it is correct in all respects, the Registrar shall enter particulars of the application in the register of applications to be maintained in Form B, give a serial number to the application and issue a receipt in acknowledgement thereof.

(2) The Registrar may give, wherever necessary, an opportunity to the promoters of the proposed society to modify the proposed bye-laws before finally registering the society.

(3) On registering a society and its bye-laws under sub-section (1) of section 8 of the Act, the Registrar shall, as soon as may be, notify the registration of the society in the Official Gazette and grant to the society, a certificate of registration signed by him and bearing his official seal and containing the registration number of the society and the date of its registration. The Registrar shall also

furnish to the society a certified copy of the bye-laws approved and registered by him.

6. Refusal of registration :-

Where any society does not furnish the information in regard to the society as required in Form A or fulfil any of the conditions laid down in the Act or these rules, the Registrar may refuse to register that society.

7. First bye-laws of a society :-

When a society has been registered, the bye-laws of the society as approved and registered by the Registrar shall be the bye-laws of the society.

8. Classification and sub-classification of societies :-

(1) After registration of a society, the Registrar shall classify the society into one or other of the following classes and sub-classes of societies described below according to the principal object provided in its bye-laws:-

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Class	Sub-class	Examples of societies falling in the class or sub-class as the case may be
1	2	3
(1) Agricultural Marketing Society	-	All purchase and sale Unions and Marketing Societies of Agricultural Produce.
(2) Agricultural Service Co-operative Society	-	Societies which render assistance to farmers, agricultural labourers, rural artisans, etc.
		Societies whose area of operation extends to the whole of the State of Goa and the

(3) Apex Society	-	main object of which is to promote the principal objects of the societies affiliated to it as members and provide for the facilities and services to them.
(4) Consumers Co-operative Society	-	Stores and canteens
(5) Co-operative Bank	(a) Central Bank	District Central Bank
	(b) Other Banks	Urban Co-operative Banks.
(6) Co-operative Farming Societies	(a) Collective Farming Society	Farming Societies where major area of lands is acquired from outside agency for cultivation by members
	(b) Joint Farming Society	Societies where the major area of land brought together for cultivation is held by members.
	(c) Other Farming Society	Dairy, Poultry, Fisheries, Salt Pans, etc.
(7) Co-operative Housing Society	(a) Co-ownership Housing Society	a society in which the land is held either on lease-hold or free-hold basis by the society and the houses constructed on it are owned or to be owned by its members
	(b) Co-partnership Housing Society	a society in which land and buildings are held by the society on lease-hold or free-hold basis and members are allotted flats, tenements or such other premises in such buildings with a right to occupy the same in accordance with the bye-laws.
	(c) Co-operative House Mortgage Society	a credit society which lends money to its members for a certain period of time against certain securities for the construction of houses for their dwellings
	(d) Co-operative Housing Maintenance Society	a society formed by the owners of dwelling units or commercial units in a building for the purpose of maintenance of the building and provision of common amenities.
	(e) Other	house construction societies.

	Housing Society	Societies
(8) Processing Society	(a) Agricultural Processing Society	Societies which process agricultural products like Co-operative Sugar Factories Oil Mills, Coconut and Cashew processing units.
	(b) Industrial Processing Society	Tanners societies and coir processing societies.
(9) Producers Society	(a) Industrial Producers Society	Weavers and Carpenters, Garments, etc.
	(b) Labourers Industrial Society	Forest Labourers Societies & Labour Contract Societies.
(10) Resource Society	(a) Credit Resource Society	Agricultural Credit, Thrift & Urban Credit Societies and Salary Earners Societies
	(b) Non-Credit Resource Society	Seeds and Implements and Agricultural Requisites Societies
	(c) Service Resource Society	Service Societies and Multi-purpose Societies.
(11) Lift Irrigation Society	(a) Lift Irrigation Society	Societies which provide water supply by motive power or otherwise to its members for agriculture, horticulture and other purposes
	(b) Flow Irrigation Society	Societies which use canals and perennial waters.
(12) General Society	(a) Social	Better Living Societies and Educational Societies.
	(b) Commercial	Insurance, Motor Transport Societies and Tourism related activities.
	(c) Others	Not falling in either of the above sub-clauses.

(2) If the Registrar alters the classification of a society from one

class of society to another or from one sub-class thereof to another, he shall issue to the society a copy of his order as in the case of an amendment of the bye-laws.

9. Maintenance of register :-

(1) The register to be maintained by the Registrar of the societies registered under this Act and the societies deemed to be registered as provided under sub-section (2) of section 128 of the Act shall be in Form C.

(2) The Registrar shall divide the register into parts, having regard to the jurisdiction of the person appointed under section 4 of the Act.

(3) The Registrar or the person appointed under section 4 of the Act shall assign each class or sub-class of societies, a code symbol, for giving registration number to the societies and the societies shall be registered from the dates specified by him.

10. Amendment of bye-laws :-

(1) Subject to the provisions of this rule, bye-laws of a society may be amended by passing a resolution at a general meeting of the society.

(2) The society shall give due notice, in accordance with its bye-laws, to all the members of such amendment with the text of the proposed amendment and the reasons therefor.

(3) An amendment shall be deemed to have been duly passed, if a resolution in that behalf is passed at a general meeting by not less than two thirds of the members entitled to vote who are present there at.

(4) After the resolution is passed, a copy thereof shall, within a period of forty-five days from the date of the meeting at which the resolution was passed, be furnished to the Registrar in Form D alongwith-

(a) a copy of the relevant bye-laws in force with amendments proposed to be made in pursuance of the resolution, together with reasons justifying such amendments;

(b) five copies of the text of the bye-laws as it would stand after amendment, signed by the officers duly authorised in that behalf by the committee of the society;

(c) a copy of the notice given to the members of the society of the proposal to amend the bye-laws.

(5) On receipt of a copy of the resolution and other particulars referred to in sub-rule (4), the Registrar shall examine the amendment proposed by the society and if he is satisfied that the amendment is not contrary to the Act or the rules and is in the interest of the society and co-operative movement, he may register the amendment and issue to the society a copy of the amendment certified by him under sub-section (4) of section 11 of the Act.

11. Manner of calling upon society to make amendments to bye-laws :-

(1) Subject to the provisions of this rule, the Registrar may, by serving a notice in Form E, call upon a society to make such amendment to the bye-laws of the society as he considers to be necessary or desirable in its interest, within a period not exceeding forty-five days from the date of receipt of such notice by the society. The notice shall specify the exact amendment which the society should make.

(2) An appeal against the order of the Co-operative Tribunal under

sub-section (2) of section 12 of the Act shall lie to the High Court of Bombay at Panaji and the same shall have to be filed within sixty days from the date of the order.

12. Change in name of society :-

(1) The name of a society may be changed under section 13 of the Act so however that it does not refer to any caste or religious denomination and is not inconsistent with the objects of the society.

(2) Every change in the name of a society shall be made by an amendment of its bye-laws and shall be notified in the Official Gazette.

(3) After the change in the name is approved by the Registrar, the society shall send the original registration certificate to the Registrar for carrying out amendment and the Registrar shall return the same to the society duly amended.

(4) The Registrar shall enter the new name in the register of societies maintained by him.

13. Change of liability :-

(1) The change of liability of a society shall be secured by passing a resolution in that behalf by not less than two-third of the members present at a general meeting of the society called for the purpose and indicating in clear terms the manner of changing the liability. The society shall give thirty days notice in writing of such meeting to all its members and the creditors and shall furnish them with copies of the resolutions proposed to be moved at the meeting. After the resolution is duly moved and passed by not less than two-third of the members present at the general meeting, a copy thereof shall be sent to the Registrar within thirty days of its passing.

(2) Every notice to be given by the society under sub-section (2) of section 14 of the Act shall be sent by post under certificate of posting or otherwise to the address of each of its members and creditors as recorded in the books of the society. A copy of such notice shall be exhibited on the notice board of the society and a copy shall also be sent to the Registrar for exhibition on the notice board in his office, and thereupon, notice of the resolution to change the form or extent of its liability shall be deemed to have been duly given to all its members and creditors, notice not being sent to their correct address or notice not being received by them notwithstanding.

(3) For the purpose of determining the claims of a member under clause (b) of sub-section (4) of section 14 of the Act, the value of a share of a member in a society shall be ascertained by a valuation based on the financial position of the society as shown in the last audited balance sheet, provided that it shall not exceed the actual amount received by the society in respect of such share.

(4) Any member or creditor desiring to exercise his option under sub-section (2) of section 14 of the Act shall inform the society accordingly in writing, and when he does not propose to withdraw his entire share or deposits, the member or creditor shall clearly indicate in writing the extent of his withdrawal. The society shall examine and draw up a Scheme for orderly payment of all claims in an equitable manner including shares, the value of which shall be ascertained in accordance with the provisions of sub-rule (3). The Scheme may also provide for settlement of claims by mutual agreement. Where the Registrar does not approve the Scheme on the ground of impracticability or undesirability, the resolution passed by the society under sub-rule (1) shall be ineffective, and the form and extent of liability of a society shall remain unaltered in accordance with resolution passed as aforesaid.

(5) After the Registrar approves the Scheme, the society shall make payments to members and creditors as provided in clause (b) of sub-section (4) of section 14 of the Act, make a report to that effect to the Registrar and furnish the Registrar with a proposal to

amend the bye-laws of the society duly passed in that behalf. On receipt of the proposal, the Registrar shall register the amendment in accordance with the provisions of section 11 of the Act.

14. Amalgamation, transfer of assets and liabilities, division or conversion of societies :-

(1) Every society, desiring to effect amalgamation, transfer of assets and liabilities, division or conversion, as the case may be, shall make an application to the Registrar in that behalf, giving full details of the Scheme of such amalgamation, transfer, division or conversion, as the case may be.

(2) On receipt of such application, the Registrar may, after examining the details furnished in the application and other particulars which he may call upon the society to furnish, give his approval to the amalgamation, transfer, division or conversion, as the case may be, in the interest of the society.

(3) After the receipt of the Registrars approval under sub-rule (2), the society shall convene a special general meeting by giving notice of at least thirty clear days to all its members and creditors and pass a resolution for amalgamation, transfer of assets and liabilities, division or conversion, as the case may be, by two-third majority of the members present and voting at the meeting. The resolution so passed shall contain the purpose and the full Scheme indicating how the proposed amalgamation, transfer, division or conversion, as the case may be, would be useful to the society and be given effect to. Where the Scheme does not involve transfer of the liabilities of the society to another society, a statement to that effect shall be made in the application to be made under sub-rule (1). Where the Scheme involves transfer of liabilities of the society, the society shall give written notice in Form F to all its members, creditors and other persons whose interests are likely to be affected by such transfer. The notice shall also be published in at least one newspaper in circulation in the district in which the societys office is situated and a copy, thereof shall be exhibited on the notice board in the societys office.

(4) Within thirty days from the date of notice referred to in sub-rule (3), the members, creditors and other persons whose interests are likely to be affected by the transfer of liabilities of the society may exercise their option as required by clause (i) of sub-section (3) of section 15 of the Act, failing which, they shall be deemed to have assented to the transfer of liabilities of the society to another society.

(5) The society shall meet in full or otherwise satisfy all claims of the members and creditors and other interested persons who exercise the option.

(6) The society shall submit a report to the Registrar of the action taken by it and request him to give effect to its decision for amalgamation, transfer, division or conversion, as the case may be, by registering the amalgamated or converted society or the new society, as the case may be, and cancelling the registration of the societies which have been amalgamated, divided or converted, as the case may be.

(7) On receipt of the report from the society under sub-rule (6), the Registrar shall, after satisfying himself that the procedure has been properly followed register the amalgamated, divided or converted societies and cancel the registration of the societies which have been amalgamated, divided or converted as the case may be.

15. Re-construction of a society :-

(1) An application for re-construction of a society under section 16 of the Act may be made in Form G. On receipt of such application, the Registrar may, taking into consideration the compromise or arrangement for re- construction of the society, if he thinks fit, prepare a draft order indicating,-

(i) the manner in which the amounts payable by the society to its creditors should be paid and the amounts recoverable from its debtor members should be recovered;

(ii) the manner in which the share capital, if any, of such members should be reduced;

(iii) the mannner in which the Scheme of reconstruction should be implemented; and

(iv) the manner in which the bye-laws of the society will stand amended in order to give effect to the Scheme of re-construction.

A copy of the draft order shall be exhibited on the notice board of the society and a copy thereof shall be exhibited on the notice board of the Registrars office inviting objections and suggestions from all those interested within thirty days from the date of issue of the draft order.

(2) After taking into consideration the objections and suggestions, if any, received, the Registrar may issue an order approving such re-construction or staying further proceedings in respect of such re-construction. On issue of an order approving the re- construction, the society shall stand re-constructed and the bye-laws of the society shall be modified to that effect and to that extent.

16. De-registration of a society :-

(1) The public notice of the proceedings of de-registration of a society under section 20 of the Act shall be published in at least one newspaper published in Goa and in wide circulation in the district in which the societys office is situated and a copy thereof shall be exhibited on the notice board of the office of the Registrar and the society. The cost of such publication shall be recovered from the assets of the society and in the absence of such assets, from the Chief Promoter or the Board of Directors of the society, as may be decided by the Registrar, as arrears of land revenue.

(2) The remuneration to be paid to the official assignee under sub-

section (4) of section 20 of the Act shall not be more than 10% of the assets realised of the society under de- registration. The allowances to be paid to the official assignee shall be as applicable to Government employees as per his entitlement or as may be fixed by the Registrar, whichever is less.

CHAPTER 3 Members and their rights and liabilities

17. Conditions to be complied with for admission for membership, etc :-

No person shall be admitted as a member of a society unless,-

(i) he has applied in writing in the form laid down by the society in its bye-laws for membership together with his photograph and nomination form;

(ii) his application is approved by the Board of Directors of the society;

(iii) he has paid the entrance fee and the amount of qualifying shares as laid down in the bye-laws of the society for exercising the rights of membership;

(iv) he has fulfilled all other conditions laid down in the Act, the rules and the bye-laws;

(v) in case of a firm, company or body corporate, a society registered under the Societies Registration Act, 1860, or any other law for the time being in force, a society registered or deemed to be registered under the Act or any other Co-op. Societies Act, a public trust registered under any law for the time being in force relating to registration of public trusts, the application for membership is accompanied by a resolution authorising it to apply for such membership.

18. Procedure for admission of joint members and minors and persons of unsound mind inheriting the share or

interest of deceased member :-

(1) A society may admit a joint member in accordance with the same procedure as laid down in rule 17 (i) to (iv). The application for joint membership shall be in the form as laid down by the society in its bye-laws.

(2) The joint members shall be entitled to appoint only one nominee each.

(3) In accordance with the procedure laid down in its bye-laws and these rules for admission of any member, a society may admit minors and persons of unsound mind inheriting the share or interest of deceased members as its members through their legal representatives or guardians, respectively. The members so admitted will enjoy such rights and liabilities through such legal representatives or guardians as are laid down in the bye-laws of the society.

19. Resignation of membership :-

(1) Subject to the provisions of the Act, the rules and the bye-laws of the society, a member may resign from a society after giving three months notice to the society of his intention to resign his membership.

(2) No resignation of membership shall be accepted by the society unless the member has paid in full, his dues, if any, to the society.

(3) The withdrawal from membership shall also be subject to such restrictions regarding the maximum amount of share capital that can be refunded in a year or as may have been provided for in the Act, the rules or bye-laws of the society.

(4) Any member, whose resignation has been accepted by the society, or any heir or legal representative of a deceased member,

may demand refund of the share capital held by such member or deceased member and the society shall, subject to the provisions of sub-section (3) of section 29 of the Act and subject to the provisions of the bye-laws, refund the amount within six months from the acceptance of the resignation or, as the case may be, the date of demand made by the heir or legal representative of the deceased member.

(5) In all cases where share capital is to be refunded, valuation of the shares to be refunded shall be made in accordance with the provisions contained in rule 21.

20. Voting rights of individual members in a federal society :-

(1) In the case of federal societies, the voting rights of individual members, which term shall include the members enrolled under clauses (b) and (d) of sub-section (2) of section 21 of the Act, shall be on the basis of one member one vote.

(2) There shall be a separate constituency for individual members of a federal society. The Directors to be elected by the constituency of individual members shall not exceed 1/5th (one fifth) of the total number of Directors on the Board of Directors of the society as laid down in the bye-laws of the society (fraction being neglected).

21. Valuation of shares or interest :-

(1) Where a member of a society ceases to be a member thereof, the sum representing the value of his share or interest in the share capital of the society to be paid to him or his nominee, heir or legal representative, as the case may be, shall be ascertained by a valuation based on the financial position of the society as shown in the last audited balance sheet preceding the cessation of membership.

(2) Where a person is allotted a share by the society, the payment

required to be made therefor shall be as per the valuation based on the financial position of the society in the last audited balance sheet preceding such allotment.

22. Procedure for transfer of shares :-

(1) No transfer of shares shall be effective unless,-

(a) it is made in accordance with the provisions of the bye-laws;

(b) a clear fourteen days notice in writing is given to the society indicating therein the name of the proposed transferee, his consent, his application for membership alongwith nomination form;

(c) all liabilities of the transferor due to the society are discharged or are accepted by the transferee;

(d) the transfer is registered in the books of the society together with the lien.

(2) Any charge in favour of the society on the share so transferred will continue unless discharged otherwise.

23. Nomination of persons :-

(1) A member of a society may, for the purpose of transmission of his share or interest under sub-section (1) of section 30 of the Act or payment of value of his share or interest under sub-section (2) of section 30 of the Act, nominate not more than two persons as his nominees by submitting a nomination form laid down in the bye-laws duly signed by him.

(2) In the case of joint membership, each of the joint members will

be entitled to nominate not more than one person as his nominee. The nomination form submitted by each of the joint members shall be signed by both the joint members.

(3)The society shall register such nomination in a register kept for the purpose.

(4)Where a member of a society has not made any nomination, the society shall call upon the member to submit his nomination form within ninety days of the service of notice by the Society upon such member for the said purpose.

(5)The nomination made under sub-rule (1) may be revoked or varied by any other nomination.

24. Registration of nominations :-

The name and address of every person nominated for the purpose of sub-section (1) of section 30 of the Act and any revocation or variation of such nomination shall be entered in the register kept under rule 29.

25. Procedure for removal of member :-

(1) Where a member is to be removed from a society on the grounds mentioned in section 25 of the Act, one months show cause notice shall be served on him by registered post or in person stating the grounds on which the removal is proposed.

(2)The resolution for removal of the member shall be placed before the general meeting alongwith the explanation, if any, of the concerned member.

(3)After hearing the member, if present, or after taking into consideration any written representation in reply to the show cause notice, the general body of members shall proceed to consider the resolution.

26. Expulsion of member :-

(1) Where any member of a society has committed acts which are detrimental to the interest or proper working of the society, the Board of Directors, suo-moto or at the instance of 1/5th (one fifth) of the total number of members of the society, shall bring a resolution before the general meeting of the society called for the purpose of considering the expulsion of such member of the society.

(2) No such resolution shall be placed on the agenda of the general meeting unless the member against whom such resolution is to be brought is served with one month's show cause notice by registered post or in person stating the grounds of the proposed expulsion.

(3) The resolution for expulsion to be placed before the general meeting shall be accompanied by the explanation of the member, if any, against the expulsion.

(4) After hearing the member, if present, or after taking into consideration any written representation of such member in reply to the show cause notice, the general body of members shall proceed to consider the resolution.

27. Fees for inspection of bye-laws etc. and filing returns :-

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Particulars of documents	Amount of fees	
	Inspection fees	Fees for filing returns
(i) Bye-laws and other documents specified under sections 38 and 81 of the Act		
(a) Bye-laws	Rs. 50/-	-

(b) List of directors	Rs. 10/-	-
(ii) Returns filed under section 81 of the Act		
(a) Returns under section 81(a) to (d) of the Act	-	Rs. 50/- each
(b) Returns under section 81(e) to (h) of the Act	-	Rs. 20/- each

CHAPTER 4 Incorporation, Duties and Privileges of Societies

28. Procedure for change of address of societies :-

Every change in its registered address shall be communicated by the society to the Registrar within thirty days thereof. Any such change shall not be treated as registered unless:-

- (i) it is indicated in the bye-laws by amending them and the amendment so made is registered under the Act, and
- (ii) the change is registered in the register as provided in rule 9.

29. Register of members :-

(1) The register of members to be kept by every society under sub-section (1) of section 37 of the Act shall be in Form H.

(2) The list of members to be kept by every society shall be in Form I.

30. Certified copies of entries in books of societies :-

For the purpose of section 39 of the Act, copies of any entries referred to in that section may be certified by any officer of the society duly authorised in that behalf by the board of directors under the seal of the society.

31. Procedure to reduce share capital :-

(1) A society may reduce its share capital by passing a resolution in the general body by three-fourth majority of the members present

in the meeting, if the accumulated losses are in excess of its tangible assets.

(2) The paid up share capital may be reduced either by reducing the face value of the shares or converting the existing shares into partly paid shares:

Provided that reduction in Government share capital in a society shall be only with the prior permission of the Government.

32. Government aid to societies :-

Any society may be aided by the Government by way of subscription to share capital loan, grants, subsidies, guarantees on such terms and conditions as the Government may decide from time to time.

33. Conditions for borrowing by societies :-

(1) No society shall incur liability exceeding in total ten times the total amount of its capital employed:

Provided that in the case of Apex Co-operative Bank and Central Co-operative Bank, the liability shall not exceed twenty times and in case of co-ownership housing societies, co-partnership housing societies and co-operative house mortgage societies, the total liability shall not exceed twelve times the amount of its capital employed.

Explanation (I): For the purpose of this rule, capital employed means paid up share capital, accumulated profits, reserve fund, building fund, other than non-performing assets minus accumulated losses and intangible assets.

(II): For the purpose of this rule, the total loan taken, deposit accepted, creditors for goods and services however, shall not include the amount invested in Government securities or an amount

deposited in Central or State Co-operative Banks.

(III): In calculating the total amount of liability for the purposes of this sub-rule, in the case of any society or class of societies the bye-laws of which permit borrowing or granting credit facilities on the pledge of agricultural produce or other goods a sum equal to the amount borrowed by such society or class of societies, on the security of agricultural produce or other goods of such society or its members shall be excluded from the amount of the total liability under this rule.

34. Loans and deposits from non-members by societies :-

No society other than Co-operative Credit Society, Urban Co-operative Bank, Apex Co-operative Bank or Central Co-operative Bank shall receive any deposits from a non-member.

35. Raising of funds by societies :-

(1) Every society, which has a share capital, shall provide in the bye-laws the maximum amount of such share capital, the number of shares into which it is divided, the class of shares, the face value of each share of each class and the rights and liabilities attaching to each class of shares.

(2) Any society, which is authorised under its bye-laws to raise funds, by the issue of debentures and bonds, may, with the approval of the general body by passing a resolution by three-fourth majority of the members present in the general body meeting, frame regulations regarding the maximum amount to be raised by the issue of debentures and bonds, the class or classes of debentures and bonds, the face value of each debenture or bond, the date on which the debentures or bonds are to be redeemed, the rate at which interest is payable, the terms and conditions regarding transfer of debentures and bonds and other incidental matters.

(3) The total amount of debentures and bonds issued at any time together with the other liabilities incurred by the society shall not

exceed the maximum amount which the society can borrow under the provisions of rule 33.

(4)A society may issue bonus shares by way of capitalising its reserves and accumulated profits and such bonus shares issued may not rank pari-passu to the existing shares. Such bonus shares shall be issued by passing a resolution in the general body. The issue of bonus shares shall be in accordance with the rules as laid down in the bye-laws of the society.

36. Maintenance of liquid resource and distribution of assets :-

Every society, except Co-operative Bank, which obtains any portion of its working capital by deposits, shall,-

(i) maintain such liquid resources and in such form as may be specified from time to time by the Registrar, and

(ii) utilise only such portion of its working capital in lending business and allocate its funds in accordance with such standards as may be specified from time to time by the Registrar.

37. Deduction from salary to meet the societys claim :-

(1) The form of the Agreement to be executed by a member of a society in favour of the society under sub-section (1) of section 45 of the Act shall be in Form J.

(2) The society shall send requisition to the employer for deduction from salary to meet the societys claim under sub-section (2) of section 45 of the Act in Form K.

CHAPTER 5 Property and funds of Societies

38. Maintenance and administration of provident fund :-

A society which has established a provident fund for its employees under section 56 of the Act shall frame regulations for the maintenance, and utilisation of the provident fund for its employees. Among other matters, such regulation shall provide for the following:-

(i) amount (not exceeding ten percent of the employees salary) of contribution to be deducted from the employees salary;

(ii) the rate of contribution (not exceeding the annual contribution made by the employee) to be made by the society;

(iii) advances which may be made against the security of the provident fund; (iv) refund of employees contribution and contribution made by the society; (v) mode of investment of the provident fund and payment of interest thereon.

39. Investment of funds in other mode :-

A society may, in addition to the modes specified in clauses (a) to (f) of section 55 of the Act, invest or deposit its funds as are not needed by the society in secured debentures and deposits of companies and Co-operative institutions which are guaranteed by the State or Central Government.

40. Writing off of bad debts and losses :-

A society may create a non-performing asset reserve from time to time by debiting the amount to profit and loss account. A society shall also make adequate provisions for bad and doubtful debts and losses on its own or at the direction of the statutory auditors. However, no bad debts shall be written off without the sanction of the general body:

Provided that, in case of a State aided society, no bad debts shall be written off without the prior approval of the Government and sanction of the general body.

41. Amount to be provided by a society before arriving at its net surplus :-

A society shall, before arriving at the distributable net surplus under section 52 of the Act, make adequate provisions towards the guarantees given by the Government or any Government authorities, depreciation in value of investments redemption of share capital contributed by the Government or Government authorities or any federal society.

CHAPTER 6 Management of Societies

42. Disqualification for being director :-

(1) In addition to the disqualifications specified in clauses (a) to (e) of sub-section (1) of section 60 of the Act, a person shall be ineligible for being chosen as a director if he is convicted with a sentence of imprisonment for six months or more for any offence under the Indian Penal Code, 1860 (45 of 1860) or under any other law for the time being in force.

(2) A person shall cease to be a director if such person incurs the disqualification specified in sub-rule (1).

(3) A person who incurs any disqualification specified in sub-section (1) or (2) of section 60 of the Act or sub-rule (1) or (2) of Rule 42 shall cease to be a member of the board of directors.

(4)(a) Notwithstanding anything contained in the foregoing sub-rules of rule 42, the cessation as director of a person who has incurred disqualification shall come into effect only after following the procedure mentioned in sub-clause (b).

(b) A person who incurs any disqualification specified in sub-section (1) or (2) of section 60 of the Act or sub-rule (1) or (2) of rule 42, shall be given notice by the chief executive to show cause against such disqualification, within fifteen days from the date of knowledge of such disqualification.

(c) The board of directors shall consider the matter of cessation of

membership of the Board of the concerned director within fifteen days from the receipt of such notice by the concerned director and take decision on such cessation and such decision shall be communicated by the chief executive to the said director.

(d) In case the board of directors decides that the concerned director has incurred cessation, the decision of the board of directors shall come into effect immediately and the seat of such member on the board of directors shall be deemed to be vacant.

43. Election to the board of directors :-

The elections to the board of directors of the societies mentioned in sub-section (1) of section 66 of the Act shall be conducted by the Registrar in accordance with the provisions of Chapter VII of the Rules.

44. Election to representative general body :-

(1) The representative general body of a society shall be elected by forming representative group of members of that society having more than 5000 individual members.

(2) Representative group of members shall be formed of such number of members as may be laid down in the bye-laws of the society having relation to the total membership of the society so that representative groups shall not be less than 50 and more than 500.

(3) The representative groups shall be formed in such manner as may be decided by the board of directors of the society either in alphabetical order or numerical or alpha- numerical or geographical order or as per the constituencies in the bye-laws of the society. The number of members in each representative group shall be equal as far as possible. In forming the representative group, the geographical continuity shall be maintained.

A group representative shall be of each class of member separately

in case of society having different classes of members as per the provisions in the bye-laws of the society.

(4)The election of the group representative shall be held in the same manner and according to the same procedure as provided in Chapter VII of the Rules for the election of the board of directors.

(5)Group representative elected in accordance with the procedure laid down in this rule shall be called a delegate.

(6)The number of groups representative will be decided by the board of directors of the society which is in office on the date of coming into force of the Act.

45. First general meeting :-

(1) Within three months from the date of registration of a society, the chief promoter thereof, shall convene the first general meeting of all persons who had joined in the application for registration of the society. Where the chief promoter fails to convene the meeting as aforesaid, it shall be convened by any person authorised in that behalf by the Registrar.

(2) At the first general meeting, the following business shall be transacted, namely:- (i) Election of a President for the meeting;

(ii) Admission of new members;

(iii) Receiving a statement of accounts and reporting all transactions entered into by the chief promoter upto 14 days before the meeting;

(iv) Constitution of a provisional board of directors until regular elections are held under the bye-laws or under section 66 of the Act.

The provisional board of directors shall have the same powers and perform the same functions as the board of directors elected in the regular elections;

(v) Fixing the limit upto which the funds may be borrowed;

(vi) Any other matter which has been specifically mentioned in the bye-laws.

46. General meetings :-

(1) All general meetings of a society, excepting the first general meeting, shall be convened by the chief executive or any other officer authorised by and under the bye-laws to convene such meeting under intimation to the auditor who may attend such meetings.

(2) No general meeting shall be held or proceeded with unless the number of members required to form a quorum as specified in the bye-laws is present.

(3) The chief executive or any other officer convening the meeting shall read out the notice convening the meeting and the agenda for the meeting and then the subjects shall be taken up for consideration in the order in which they are mentioned in the agenda unless the members present, with the permission of the President, agree to change the order. Unless otherwise specified in the Act, these rules and the bye-laws, the resolutions will be passed by a show of hands by a majority of the members present. In case of equality of votes, the President will have a casting vote.

(4) If all the business on the agenda cannot be transacted on the date on which the general meeting is held, the meeting may be postponed to any other suitable date, not later than 30 days from the date of the meeting, as may be decided by the members

present at the meeting.

(5) The remaining subject or subjects on the agenda shall be taken up for consideration at the postponed meeting.

(6) If the general meeting cannot be held for want of quorum, it shall be adjourned to a later time on the same day as may have been specified in the notice calling the meeting or to a subsequent date not earlier than seven days and at such adjourned meeting the business on the agenda of the original meeting shall be transacted whether there is a quorum or not.

(7) No resolution regarding expulsion or removal of the member of the society, or amendment of bye-laws shall be brought forward in any general meeting, unless due notice thereof is given in accordance with the provisions of the Act, these rules and the bye-laws of the society.

47. Preservation of books of account and records :-

(1) The books of account and records and other documents as specified in clauses (a), (b), (c), (h) and (i) of sub-section (1) of section 73 of the Act shall be kept and maintained by the society permanently and records specified in clauses (d), (e), (f), (g) and (j) of said sub-section (1) of Section 73 of the Act be kept for a period of eight years.

(2) The books of account and records which are subject matter of litigation shall be preserved till the finality of such litigation.

48. Preparation of annual financial statements :-

(1) In preparing the annual financial statements, the society shall prepare the accounts in accordance with the Mercantile accounting system, and after following the accounting standards issued by the Institute of Chartered Accountants of India from time to time,

incorporated under the Chartered Accountants Act, 1949 (38 of 1949).

(2) Before arriving at the net profit or loss, the society shall provide adequate resources for fulfillment of guarantees given by the Government or federal society or any other authority.

(3) Adequate provision shall be made for redemption of share capital contributed by the Government or federal society or any other authority.

49. Annual general meeting and approval of accounts :-

The society shall hold the annual general meeting within nine months from the close of the co-operative year and place before the general body audited or unaudited profit and loss account, balance sheet and statement of appropriation of profits, auditors report, audit rectification report, report of the board of directors, statement of calculation of patronage refund, annual budget and the statements relating to such other matters which require authorisation in this Act.

50. Form for the balance sheet and the profit and loss account :-

(1) The balance sheet and the profit and loss account to be prepared and placed before the annual general meeting of a society by the board of directors shall be either in horizontal form or in vertical form in Form L-1 to L-4.

(2) A copy of the balance sheet and profit and loss account to be presented at the annual general meeting under sub-clause (i) of clause (c) of sub-section (3) of section 58 of the Act and a copy of the annual report of the board of directors under sub-clause (ii) of clause (c) of sub-section (3) of section 58 of the Act shall be fixed on the notice board of the society at least fifteen days before the date fixed for the annual general meeting.

51. Procedure tor taking charge of property etc. by board of administrators :-

(1) Immediately after the appointment of board of administrators under sub-section (1) of section 71 of the Act, the board of directors in whose place the appointment is made shall give to the board of administrators the charge of the property, documents and accounts of the society.

(2) In case of failure to hand over charge to the board of administrators, the board of director in whose place such appointment is made shall be deemed to have handed over such charge to the board of administrators and the board of administrators shall be entitled to take inventory of the property, documents and books of accounts of the society and copy of such inventory shall be submitted to the Registrar.

CHAPTER 7 Election to Board of Directors of Societies under section 66(1) of the Act

52. Manner of elections to board of directors of the societies :-

The elections of the societies mentioned under sub-section (1) of section 66 of the Act shall be held or caused to be held by the Registrar through the machinery created for this purpose in the manner as specified hereunder, namely:-

(a) The Registrar may appoint any officer, not below the rank of Deputy Registrar of Co-operative Societies, as the Chief Election Officer of Co-operative Societies, who shall be subordinate to the Registrar and accountable to him for the purpose of such elections. He shall work under the general guidance of the Registrar.

(b) The Chief Election Officer shall have powers to appoint one or more officers with their jurisdiction as Assistant Election Officer, who shall not be below the rank of an Assistant Registrar of Co-operative Societies.

(c) The Chief Election Officer shall have powers to appoint such additional staff as he deems necessary to assist him and the Assistant Election Officer.

(d) The Chief Election Officer shall have powers of general guidance, superintendence and control over the Assistant Election Officers and the staff appointed under the foregoing clauses of these rules. The Assistant Election Officer and the staff so appointed shall be subordinate to the Chief Election Officer and shall be accountable to him for the purpose of elections.

(e) The Assistant Election Officer shall be responsible for holding the elections of the societies mentioned under section 66 (1) of the Act, headquarters of which are situated in his jurisdiction.

(f) For holding the elections of such societies, the Registrar or the Chief Election Officer or the Assistant Election Officer, as the case may be, shall have the following powers, namely:-

(i) To appoint any officer of the State Government, Zilla Parishad, any local body, any Co-operative Society, Agricultural Marketing Board having establishment in that district, on any post with such designation and duties for the purpose of holding the elections;

(ii) It shall be obligatory on every officer or employee so appointed, to perform the duties assigned on him, failing which, he shall be liable for prosecution, for having committed contempt of the lawful authority of public servant within the meaning of Chapter X of the Indian Penal Code, 1860 (45 of 1860).

(iii) To requisition any premises, vehicles or any other material required for holding the election, from any Co-operative society as he may deem necessary.

(iv) On service of such requisition, it shall be obligatory on that society to whom such requisition is made, to forthwith hand over the possession of premises, vehicles or any other material, as the case may be to the requisitioning authority or any person authorised by him in that behalf.

(g) (i) The Registrar shall be competent to create a fund called the "Co-operative Societies Election Fund" as he deems fit by a special or general order.

(ii) The expenses of holding of any election to such society, including payment of travelling allowances, daily allowance and other remuneration if any, to the persons appointed to exercise the powers and perform the duties in respect of election shall be borne by such society concerned. For this purpose, the Registrar or the Chief Election Officer or the Assistant Election Officer may call upon such society to deposit in the Co-operative Societies Election Fund, such amount as he considers necessary for the conduct of elections within such period as may be directed by the Registrar:

Provided that, it shall be competent for the Registrar to exempt any such society or class of such societies from depositing in full or in part, such expenses.

(iii) If the expenditure exceeds the amount deposited, the Registrar or the Chief Election Officer or the Assistant Election Officer shall call upon such society to pay the excess amount as specified by him within eight days from the receipt of directions from him and the society shall comply with such directions.

(iv) On failure of such society to deposit the amount or to pay the excess amount as aforesaid, the Registrar or the Chief Election Officer may issue a certificate for recovery of amount due, together with interest thereon at the rate of 15% per annum from the society. On issue of such certificate, the amount shall be recovered as arrears of land revenue.

(h) The Registrar shall maintain a register in Form Election-1 in his office showing the names of such societies with details thereof.

(i) The chief executive of such society shall submit a report in Form Election-2 to the Registrar on or before 30th September of the

preceding calendar year in which the term of office of the board of directors of such society expires:

Provided that, if the chief executive of such society fails to submit the report within the stipulated time, the Registrar shall proceed to enlist the names of such society or societies for the purpose of aforesaid clause on the basis of information available in the register and such enlisting the names shall be prima facie evidence that the election of the society is due to be held in the succeeding co-operative year, unless proved to the contrary.

(j) On receipt of the report or otherwise, the Registrar shall publish, on or before the 15th October, a list of societies in his office and in the office of the Assistant Election Officer, of which elections of the board of directors are to be held in the succeeding co-operative year.

53. Provisional list of voters :-

(1) A provisional list of voters shall be prepared by every such society in the year in which the elections of such society is due to be held. If different constituencies are provided in the bye-laws, the names of voters shall be arranged constituency wise as laid down in the bye-laws.

(2) Four copies of the authenticated provisional lists of voters shall be submitted by the chief executive of the society to the Registrar, 120 days before the date of expiry of the term of the board of directors. Copies of such lists shall be displayed on the notice board of the society and of the office of the Assistant Election Officer and the Registrar, within 15 days from its receipt, inviting claims and objections from the members of the society.

(3) If, any chief executive fails to deliver copies of the provisional list of voters to the Registrar on or before the due date, the Registrar shall himself or through any person authorised by him in this behalf, prepare such provisional list of voters and the

expenditure incurred therefor shall be recovered from the chief executive or other persons responsible therefor, as arrears of land revenue.

(4) In the event of the Registrar taking action under the last preceding sub-rule, he shall also cause copies of the provisional list of voters to be displayed on his notice board and on the notice board of the Assistant Election Officer and of the society for inviting claims and objections from the members of the society.

54. Particulars to be included in the provisional list of voters :-

(1) The provisional list of voters, in the case of individual share holders, shall contain the name, fathers or husbands name, surname, if any; with address recorded in the register of members of the society concerned in Form H, of every person entitled to be registered as voter with such other particulars as may be necessary to identify him.

(2) Where a member of the society concerned is of any one of the categories mentioned in clauses (b), (c) and (d) of sub-section (2) of section 21 of the Act, the society concerned shall call for the names of the representatives of such category of members duly authorised to vote at the election on behalf of the said category of members so as to reach it 150 days prior to the date of expiry of the term of office of the board of directors.

(3) While communicating the names of the representatives, the said category of members shall enclose a copy of the resolution of the Firm, managing committee or board of directors of such member wherein the representative is so authorised. The list of voters shall include the names of all such representatives as have been communicated to the society concerned before the date fixed for publication of the provisional list together with the names of the company, firm, body corporate, Co-operative society, public trust, etc. the registration number and address with name of the constituency, if any, to which they belong.

55. Claims and objections to the provisional list of voters and the final list of voters :-

(1) When any provisional list of voters is published for inviting claims and objections, any omission or error in respect of the name or address or other particulars in the list may be brought to the notice of the Registrar in writing by any member of the society concerned who is a voter or any representative authorised to vote on behalf of such society during office hours within 15 days from the date of publication of the provisional list of voters.

(2) The Registrar shall, after making such enquiries as deemed necessary in this behalf consider each claim or objection, and give his decision thereon in writing to the persons concerned within 10 days from the last date prescribed for receiving the claims and objections and such list shall be the final list of voters.

(3) The copies of the final list of voters shall be displayed on the notice board of the Registrar and on the notice board of the office of the Assistant Election Officer and that of the society at least seven days before the declaration of the election programme and in no case later than fifteen days from the finalisation of claims and objections.

56. Appointment of Returning Officers, Assistant Returning Officers and such other Officers required to conduct the elections :-

The Registrar or the Chief Election Officer or the Assistant Election Officer shall, whenever necessary, appoint the Returning Officer and may also appoint one or more persons to be called as the Assistant Returning Officers to assist the Returning Officer in the performance of his functions:

Provided that, in case where no other person is appointed as the Returning Officer, the Assistant Election Officer himself shall be deemed to be the Returning Officer and shall perform all the functions of the Returning Officer under these rules. Every Assistant Returning Officer, shall, subject to the control of the Returning

Officer, be competent to perform all or any of the functions of the Returning Officer provided that no Assistant Returning Officer, shall perform any of the functions of the Returning Officer which relate to the scrutiny of nominations unless the Returning Officer is unavoidably prevented from performing the said function.

57. General duty of Returning Officer :-

It shall be the general duty of the Returning Officer at any elections to do all such acts and things as may be necessary for effectually conducting the election in the manner provided in these rules.

58. Polling stations :-

The Returning Officer shall, if necessary, provide a sufficient number of polling stations for any constituency for which election is to be held and shall publish on the notice board of the society and in such other manner as he deems fit, a list showing the polling stations so provided and the polling areas for which they have respectively been provided.

59. Appointment of Presiding Officers and Polling Officers :-

(1) The Returning Officer shall appoint a Presiding Officer for each polling station and such polling officer or officers as he thinks necessary, but shall not appoint any person who has been employed by the concerned society or on behalf of, or has been otherwise working for a candidate in or about the election:

Provided that, if a polling officer is absent from the polling station, the Presiding Officer may appoint any person who is present at the polling station, other than a person who has been employed by the concerned society or on behalf of, or who has been otherwise working for a candidate in or about the election, to be the Polling Officer during the absence of such officer, and shall inform the Returning Officer accordingly.

(2)A Polling Officer shall, if so directed by the Presiding Officer, perform all or any of the functions of a Presiding Officer under these rules.

(3) If the Presiding Officer, owing to illness or otherwise or due to unavoidable cause, is absent from the polling station, his functions shall be performed by such polling officer as has been previously authorised by the Presiding Officer, to perform such functions during his absence.

60. General duty of Presiding Officer and Polling Officer :-

(1) It shall be the general duty of the Presiding Officer at a polling station to keep law and order and to see that the poll is fairly taken.

(2) It shall be the duty of the Polling Officers at a polling station to assist the Presiding Officer for such station in the performance of his functions.

(3) The Presiding Officer, Polling Officer, Returning Officer, Assistant Returning Officers and other persons appointed for any of the purposes of these rules shall work under the general guidance, superintendence and control of the Assistant Election Officer or the Chief Election Officer.

61. Appointment of dates, etc., for various stages of an election :-

(1) The Returning Officer shall, with the prior approval of the Chief Election Officer or the Assistant Election Officer, as the case may be, draw and declare a programme of various stages of election, as indicated hereinbelow, not earlier than seven days and not later than fifteen days of the date of display of the final list of voters of the society:-

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(i) Last date for making nominations	7 days from the date of declaration of election programme.
(ii) The date of	

publication of list of nominations received	As and when received till the last date fixed for making nominations
(iii) Date of scrutiny of nominations	Next day of the last date for making nominations
(iv) Date of completion of scrutiny	Not later than three days from the date of scrutiny.
(v) Date of publication of list of valid nominations after scrutiny	Next day after the date of completion of scrutiny.
(vi) Date by which candidature may be withdrawn	2 days from the date of publication of list of valid nominations.
(vii) Date of publication of final list of contesting candidates	The date next succeeding the last day fixed for withdrawal of candidature
(viii) Date and time during which and the place/places at which the poll shall be taken	Not earlier than 10 days but not later than 15 days from the date of publication of final list of contesting candidates (time and place to be fixed by the Returning Officer).
(ix) Date, time and place for counting of votes	Not later than the 3rd day from the date on which the poll shall be taken (time and place to be fixed by the Returning Officer).
(x) Date of declaration of results of voting	Immediately after the counting of votes

Explanation:- (1) If the last date in reckoning dates as specified in the above cases is a public holiday, the next succeeding working day shall be fixed for the respective events.

(2) The proportion of polling stations to the number of voters at each polling station and the place of polling station shall be fixed in consultation with the society concerned. In case the polling stations are spread over either the district, town or villages in the district, the Assistant Election Officer shall make arrangements to get all the ballot boxes to the office of the Returning Officer or to the registered office of the society or to such other safe place or places as he deems fit.

62. Manner of modification of election programme declared under rule 61 :-

(1) The time during which poll should be taken shall be mentioned

in the election programme. The time of poll should not be earlier than 8.00 a.m. and later than 5.00 p.m.

(2) Wherever it is necessary to fix the time, date and place for any stage in the election programme, it shall be fixed by the Returning Officer and shall be mentioned in the election programme declared by him.

(3) If, due to any unavoidable circumstances and in the public interest, it has become imminent to modify the programme and there is no sufficient time for obtaining the previous approval of the Assistant Election Officer, or the Chief Election Officer, as the case may be, to such modifications, the Returning Officer may, for reasons to be recorded in writing, modify the programme. In every such case, the Returning Officer shall forthwith send a copy of the modified election programme alongwith the reasons recorded by him for such modification to the Chief Election Officer or the Assistant Election Officer, as the case may be.

63. Manner of publication of election programme declared under rule 61 :-

(1) The Returning Officer shall send a copy of the election programme declared under rule 61 in Form Election-3 to the society, either by special messenger or through registered post addressed to the society at the registered address, with instructions to display the copy of the programme on the notice board of the society. In addition, the said election programme shall be displayed on the notice board of the Returning Officer, the Assistant Election Officer and the Chief Election Officer.

(2) The election programme shall also be published at least in one local daily newspaper having wide circulation in the area of operation of the society.

64. Nomination of candidates :-

(1) Any person may be nominated as a candidate for election to fill the seat, if he is qualified to be chosen to fill the seat under the provisions of the Act, Rules and the bye-laws and if his name is entered in the list of voters:

Provided that in the case of joint or associate member, only the member whose name stands first in the share certificate shall be eligible to be nominated as candidate for the election. Where the seats are reserved on the board of directors of any society as provided under sub-section (4) of section 67 of the Act, an individual belonging to the category specified in said sub-section (4) of section 67 of the Act shall be eligible for being nominated as candidate if his name appears in the list of voters.

(2) Every nomination paper presented under rule 65 shall be completed in Form Election-4:

Provided that a failure to complete or defect in completing the declaration as to symbols in the nomination paper, shall not be deemed to be a defect of a substantial character within the meaning of these rules.

(3) Any person whose name is entered in the list of voters may be a proposer or seconder for nominating a candidate for election:

Provided that in case of election from constituency of societies, the proposer and seconder shall be from the same constituency.

(4) A nomination paper shall be supplied by the Returning Officer to any voter on demand and on payment of such fees as determined by the Assistant Election Officer.

65. Presentation of nomination paper and requirements for valid nominations :-

(1) On or before the date appointed under rule 61, each candidate

shall, either in person or by his proposer, deliver to the Returning Officer during the time and at the place specified in the programme declared under the said rule, a nomination paper completed as provided by rule 64 and signed by the candidate and by two voters of his constituency one of whom shall be a proposer and the other a seconder.

(2) In the case of reserved seat under the provisions of sub-section (4) of section 67 of the Act, a candidate shall not be deemed to be qualified to be chosen to fill that seat unless his nomination paper contains a declaration by him specifying the particulars of the scheduled caste or the scheduled tribe of which he is a member and in the case of members of economically backward classes, the details of his income and land holding during the year immediately preceding the election.

(3) On the presentation of nomination paper, the Returning Officer shall satisfy himself that the names and the number of candidate and of his proposer and seconder are, as entered in the list of voters. If a nomination paper is rejected under this rule, the Returning Officer shall record his reason for rejecting the same and in that case the candidate may deliver a fresh nomination paper subject however to his fulfilling all provisions of this rule:

Provided that the Returning Officer shall permit any clerical or technical error in the nomination paper in regard to the said name or number to be corrected in order to bring them into conformity with the corresponding entries in the list of voters and where necessary, clerical or printing error in the said entries shall be overlooked.

66. Symbols for elections :-

(1) The Returning Officer shall specify the symbols that may be chosen by a candidate at the election from among those specified by him, but he shall not allot any symbols which are associated with political parties.

(2) Where, at any such election, more nomination papers than one are delivered by or on behalf of a candidate, the declaration as to symbols made in the nomination paper first delivered and no other declaration as to symbols shall be taken into consideration under sub-rule (2) of rule 64 even if that nomination paper has been rejected.

67. Deposit :-

A candidate shall not be deemed to be duly nominated for election from a constituency unless he deposits or causes to be deposited with the Returning Officer a sum of Rs.100/- in cash and where the candidate belongs to a scheduled caste or scheduled tribe or economically backward class, a sum of Rs. 20/- shall be deposited: Provided that, where a candidate has been nominated, by more than one nomination paper for election in the same constituency, not more than one deposit shall be required from him under this rule.

68. Notice of nomination and time and place for scrutiny :-

The Returning Officer shall, on receiving a nomination paper under rule 65, inform the person or persons delivering the same, of the day, time and place fixed for the scrutiny of nominations and shall enter on the nomination paper, its serial number and shall sign thereon a certificate stating the date on which and the hour at which the nomination paper has been delivered to him and shall, as soon as may be, cause to be affixed on the notice board in his office, a notice of the nomination containing descriptions of the candidate, his proposer and seconder as contained in the nomination paper.

69. Scrutiny of nomination papers :-

(1) On the date fixed for the scrutiny of nomination papers of the candidates, under rule 61, one person proposed by each candidate, duly authorised in writing by the candidate, may attend at the time and place appointed in this behalf and the Returning Officer shall give or cause to give them all reasonable facilities for examining the nomination papers of all candidates, which have been delivered as required by rule 65. No other person shall be allowed to attend

scrutiny of nominations.

(2) The Returning Officer shall then examine the nomination papers and shall decide all objections which may be made to any nominations and may, either on such objections or on his own motion, after such summary inquiry, if any, as he thinks necessary, reject any nomination on any of the following grounds, this is to say:-

(i) that the candidate is disqualified for being chosen to fill the seat by or under the Act, these rules and the bye-laws;

(ii) that there has been a failure to comply with any of the provisions of rule 65 or 67;

(iii) that the signature of the candidate or the proposer or the seconder on the nomination paper is not genuine.

(3) Nothing contained in clauses (ii) or (iii) of sub-rule (2) shall be deemed to authorise the rejection of the nomination of any candidate on the ground of any irregularity in respect of a nomination paper if the candidate has been duly nominated by means of another nomination paper in respect of which no irregularity has been committed.

(4) The Returning Officer shall not reject any nomination paper on the ground of any defect which is not of substantial character.

(5) The Returning Officer shall hold the scrutiny on the date appointed in this behalf under rule 61 and shall not allow any adjournment of the proceedings, except when such proceedings are interrupted or obstructed by riot or open violence or causes beyond his control:

Provided that, in case any objection is raised by the Returning

Officer or is made by any other person, the candidate concerned may be allowed time to rebut it, not later than two days (excluding holiday), and the Returning Officer shall record his decision on the date to which the proceedings have been adjourned.

(6) The Returning Officer shall endorse on each nomination paper his decision accepting or rejecting the same and, if the nomination paper is rejected, he shall record in writing a brief statement of his reason for such rejection, and copy of such statement shall be immediately supplied on demand to the candidate or to the proposer concerned. The copy of such statement shall be sent invariably to the Chief Election Officer or to the Assistant Election Officer, as the case may be.

70. Publication of list of valid nominations :-

Immediately after all the nomination papers have been scrutinised and decision accepting or rejecting the same has been recorded, the Returning Officer shall prepare a list of candidates whose nominations have been accepted or rejected. Immediately on the day after the scrutiny is over, the Returning Officer shall affix the list on his notice board and shall record the date on which and the time at which, the list was so affixed.

71. Withdrawal of candidature :-

(1) Any candidate may withdraw his candidature by application in writing and deliver it personally to the Returning Officer within the stipulated time as specified in the election programme.

(2) No candidate who has given an application for withdrawal of his candidature shall be allowed to withdraw his application.

72. Preparation of final list of contesting candidates :-

(1) On the day next succeeding the last date fixed for withdrawal of candidature, the Returning Officer shall prepare and publish in Form Election-5 a list of contesting candidates.

(2)The said list shall contain the names in alphabetical order with reference to the surnames of the candidates having surnames and in respect of candidates not having surnames, in the alphabetical order with reference to their first names, in the language in which the list of voters is prepared and the addresses of the contesting candidates as given in the nomination papers.

(3)Where a poll becomes necessary, the Returning Officer shall consider the choice of symbols expressed by the contesting candidates in their nomination papers and shall,-

(i) allot a different symbol to each contesting candidate in conformity, as far as practicable, with his choice; and

(ii) if more than one contesting candidate have indicated their preference for the same symbol, decide by lot and such allotment shall be final.

(4) Every candidate shall forthwith be informed of the symbol allotted to him and be supplied with a specimen thereof by the Returning Officer.

73. Appointment of polling agents and counting agents :-

(1) At an election at which a poll is to be taken, any contesting candidate may appoint one agent and one relief agent to act as polling agents of such candidate, at each polling station. Such appointment shall be made by a letter in writing in Form Election-6 signed by the candidate.

(2)The candidate shall deliver the letter of appointment to the polling agents who shall, on the date fixed for the poll, present it to and sign the declaration contained therein, before the Presiding Officer. The Presiding Officer shall retain the letter presented to him in his custody. The polling agent shall not be allowed to perform any duty at the polling station unless he has complied with the

provisions of this rule.

(3)The polling agents may work as counting agents as per the authority given by the candidate in Form Election-7.

(4)Each contesting candidate may appoint not more than two agents to act as counting agents of such candidate by a letter in writing in duplicate in Form Election-8 signed by the candidates. Before the commencement of the counting of votes, the candidate shall give notice of the appointment of such counting agents to the Returning Officer by forwarding to such Officer the letter of appointment. The candidate shall also deliver the duplicate copy of the letter of appointment to the counting agent who shall, on the date fixed for the counting of votes, present it to, and sign the declaration contained therein before the Returning Officer. The Returning Officer shall retain the duplicate copy presented to him in his custody. No counting agent shall be allowed to perform any duty at the place fixed for the counting of votes, unless he has complied with these provisions.

74. Uncontested elections :-

If, after the expiry of the period within which candidatures may be withdrawn under rule 71, the number of candidates in the Constituency whose nominations have been accepted are equal to or less than the number of seats to be filled, the Returning Officer shall forthwith declare such candidate or all such candidates to be duly elected to fill the seat or the relevant number of seats, as the case may be, and shall complete and certify the declaration in Form Election-9 and where the Returning Officer is not the Assistant Election Officer himself, he shall send signed copies thereof to the Assistant Election Officer.

75. Manner of voting at elections :-

At every election where a poll is taken, voting shall be by secret ballot in the manner hereinafter provided and no voting shall be allowed by proxy except as provided in the first proviso to sub-section (1) of section 28 of the Act.

76. Ballot box :-

Every ballot box shall be of such design as may be approved by the Chief Election Officer.

77. Form of ballot paper :-

Every ballot paper shall be in Form Election-10 and the names of candidates shall be arranged in the same order in which they appear in the final list of contesting candidates. However, if two or more candidates bear the same name, they shall be distinguished by addition of their occupation or residence or in some other manner which should be determined by the Returning Officer.

78. Arrangement at polling stations :-

(1) Outside each polling station, there shall be-

(i) a notice specifying the polling area, the voters of which are entitled to vote at the polling station and where the polling station has more than one polling booth, at each of such booth, the description of the polling area of such booth, and

(ii) a copy of the final list of contesting candidates.

(2) At each polling station, there shall be set up, one or more voting compartments, duly screened, in which the voters can record their votes with secrecy.

(3) The Returning Officer shall provide at each polling station a sufficient number of ballot boxes, ballot papers, copies of the list of voters in respect of the polling area or areas the voters of which are entitled to vote at such polling station, instruments for stamping the distinguished mark on ballot papers and articles necessary for the voters to mark the ballot papers. The Returning Officer shall also provide at each polling station such other equipment and accessories as may be required for taking the poll at such polling station.

79. Admission to polling station :-

The Presiding Officer shall regulate the number of voters to be admitted at any one time inside the polling station and shall exclude therefrom all persons other than,-

(a) Polling Officers;

(b) public servants on duty in connection with the election;

(c) persons authorised by the Chief Election Officer, Assistant Election Officer or the Returning Officer;

(d) candidates, their polling agents, and subject to the provisions of rule 73, one polling agent of each candidate;

(e) a child in arms accompanying a voter;

(f) a person accompanying a blind or infirm voter who cannot move without help;

(g) such other persons as the Returning Officer or the Presiding Officer may employ for the purpose of identifying the voter.

80. The preparation of ballot boxes for poll :-

(1) Where a paper seal is used for securing a ballot box, the Presiding Officer shall affix his own signature on the paper seal and obtain thereon the signatures of such of the polling agents present and are desirous of affixing the same.

(2) The Presiding Officer shall thereafter fix the paper seal so signed in the space meant therefor in the ballot box and shall then secure and seal the box in such manner that the slit for the insertion of ballot paper remains open.

(3) The seal used securing a ballot box shall be affixed in such manner that after the box has been closed, it is not possible to open it without breaking the seal.

(4) Where it is not necessary to use paper seal for securing the ballot box, the Presiding Officer shall secure and seal the ballot box in such manner that the slit for the insertion of ballot paper remains open and shall allow the polling agents present to affix, if they so desire, their seals.

(5) Every ballot box used at a polling station shall bear the seal, both inside and outside, marked with,-

(i) the serial number, if any, and the name of constituency; (ii) the serial number and the name of the polling station;

(iii) the serial number of the ballot box to be filled in at the end of the poll on the label outside the ballot box only; and

(iv) the date of poll.

(6) Immediately before the commencement of the poll, the Presiding Officer shall demonstrate to the polling agents and other persons present that the ballot box is empty and bears the labels referred to in sub-rule (5) of this rule.

(7) The ballot box shall then be closed, sealed and secured and placed in full view of the Presiding Officer and the polling agents.

81. Identification of voters :-

(1) The Presiding Officer may employ at the polling station such persons as he thinks fit to help in the identification of the voters or to assist him at the time of taking poll.

(2) As each voter enters the polling station, the Presiding Officer or the polling officer authorised by him in this behalf, shall check the voters name and other particulars with the relevant entry in the list of voters and then call out the serial number, name and other particulars of the voter.

(3) In deciding the right of a person to obtain a ballot paper, the Presiding Officer or the polling officer, as the case may be, shall overlook clerical or printing errors in any entry in the list of voters, if he is satisfied that such person is the same voter whom that entry relates.

82. Challenging of identity :-

(1) Any polling agent may challenge the identity of a person to be a particular voter by depositing a sum of Rs. 10/- in cash with the Presiding Officer for each such challenge.

(2) On such deposit being made by the polling agent, the Presiding Officer shall,- (i) warn the person challenged of the penalty for personation;

(ii) read the relevant entry in the list of voters in full and ask the person challenged whether he is the person referred to in that entry;

(iii) enter the name and address of the person challenged in the list of challenged voters in Form Election-11, and

(iv) require the person challenged to affix his signature in the said list.

(3) The Presiding Officer shall, thereafter, hold a summary inquiry into the allegations and may, for that purpose,-

(i) require the challenger to adduce evidence in proof of the challenge and the person challenged to adduce evidence in proof of his identity;

(ii) put to the person challenged any question necessary for the purpose of establishing his identity and require him to answer them on oath; and

(iii) administer an oath to the person challenged and any other person offering to give evidence;

(4) If, after the enquiry, the Presiding Officer is of the opinion that the challenge has not been established, he shall allow the person challenged to vote, and if he considers that the challenge has been established, he shall debar the person challenged from voting.

(5) If, the Presiding Officer is of the opinion that the challenge is frivolous or has not been made in good faith, he shall direct that the deposit made under sub-rule (1) be forfeited to the Co-operative Societies Election Fund and in the other case, he shall return it to the challenger at the conclusion of the enquiry.

83. Safeguard against personation :-

(1) With a view to prevent the personation of voters, every voter about whose identity the Presiding Officer or the polling officer, as the case may be, is satisfied, shall allow his left thumb to be inspected by the Presiding Officer or the polling officer and an indelible ink mark to be put on it.

(2) If any voter refuses to allow his left thumb to be inspected or marked in accordance with sub-rule (1) or has already such a mark on his left thumb or does any act with a view to removing the ink mark, he shall not be supplied with any ballot paper or allowed to vote.

(3) Any reference in this rule to the left thumb of a voter, shall, in the case, where the voter has his left thumb missing be construed as a reference to any other finger of his left hand and shall, in the case where all the fingers of his left hand are missing, be construed as a reference to the thumb or any other finger of his right hand, and shall in the case where all his fingers of both the hands are missing, be construed as reference to such extremity of his left or right arm as he possesses.

84. Issue of ballot paper :-

(1) No ballot paper shall be issued to any voter before the hour fixed for the commencement of the poll.

(2) No ballot paper shall be issued to any voter after the hour fixed for the closing of the poll, except to those voters, who are present at the polling station at the time of the closing of the poll. Such voters shall be allowed to record their votes even after the poll hours close.

(3) Every ballot paper shall, before issue to a voter, be,-

(i) stamped with such distinguishing mark as the Assistant Election Officer may direct, and

(ii) signed in full in its back by the Presiding Officer.

(4) No person in the polling station shall note down the serial numbers of the ballot papers issued to particular voters.

85. Voting procedure :-

(1) The voter, on receiving the ballot paper, shall forthwith:-

- (a) proceed to one of the polling compartments;
 - (b) make a mark on the ballot paper, with the instrument supplied for the purpose, on or near the symbol of the candidate for whom he intends to vote;
 - (c) fold the ballot paper, so as to conceal his vote;
 - (d) if required, show the Presiding Officer the distinguishing mark on the ballot paper;
 - (e) insert the folded ballot paper into the ballot box; (f) quit the polling station.
- (2) No voter shall be allowed to enter a polling compartment when another voter is inside it.

86. Procedure for voting where there are no separate constituencies or more than one seat is to be filled in one constituency :-

In cases where there are no constituencies defined in the bye-laws or where more than one seat is authorised in the bye-laws for a constituency, voting insofar as these seats are concerned, shall be recorded in accordance with the following provisions, namely:-

- (a) Every voter shall be entitled to give as many votes as there are seats for filling, which votes are to be taken but no voter shall give more than one vote to any one candidate;
- (b) The voter shall make a mark on the ballot paper with the instrument supplied for the purpose on or near the symbol of the candidate or candidates for whom he intends to vote, so however that, no part of any mark so made shall appear in the space provided for other candidates. The voter shall, thereafter, fold the

marked ballot paper, so as to conceal his vote and insert the folded ballot paper into the ballot box and without undue delay, leave the polling station.

87. Recording of vote of blind or infirm voter :-

(1) If the Presiding Officer is satisfied that, owing to blindness or other physical infirmity, a voter is unable to recognise the symbols on the ballot paper or to make a mark thereon without assistance, the Presiding Officer shall permit the voter to take with him a companion of not less than twenty one years of age to the voting compartment for recording the vote on the ballot paper on his behalf and in accordance with his wishes, and if necessary, for holding the ballot paper so as to conceal the vote and inserting it into the ballot box:

Provided that, no person shall be permitted to act as the companion of more than one voter at any polling station on the same day:

Provided further that, before any person is permitted to act as the companion of a voter on any day under this rule, he shall be required to declare in Form Election-12 that he shall keep secret the vote recorded by him on behalf of the voter and that he has not already acted as the companion of any other voter at any polling station on that day.

(2) The Presiding Officer shall keep a record in Form Election-13 of all such cases under this rule.

88. Spoilt and returned ballot papers :-

(1) A voter who has inadvertently dealt with his ballot paper in such a manner that it cannot be conveniently used as a ballot paper, may, on returning it to the Presiding Officer and on satisfying him of the inadvertence, be given another ballot paper and the ballot paper so returned shall be marked "spoilt cancelled"

by the Presiding Officer.

(2) If a voter, after obtaining a ballot paper, decides not to use it, he shall return it to the Presiding Officer and the ballot paper so returned shall be marked as "Returned cancelled" by the Presiding Officer.

(3) All ballot papers cancelled under sub-rule (1) or sub-rule (2) shall be kept in a separate packet.

89. Tendered votes :-

(1) If a person representing himself to be a voter applies for a ballot paper after another person has already voted as such voter, he shall, on satisfactorily answering such questions relating to his identity as the Presiding Officer may ask, be entitled, subject to the following provisions of this rule, to mark a ballot paper (hereinafter referred to as a "tendered ballot paper") in the same manner as any other voter.

(2) Every such person shall, before being supplied with a tendered ballot paper, sign his name against the entry relating to him in a list in Form Election-14.

(3) A tendered ballot paper shall be the same as the other ballot papers used at the polling station, except that it shall be,-

(i) serially the last in the bundle of the ballot papers issued for use at the polling station, and

(ii) endorsed on the back with the words "tendered ballot paper" by the Presiding Officer in his own handwriting and signed by him.

(4) The voter, after marking a tendered ballot paper in the polling compartment, and folding it, shall, instead of putting it into the

ballot box, give it to the Presiding Officer, who shall place it in a cover specially kept for the purpose.

90. Closing of poll :-

(1) The Presiding Officer shall close a polling station at the hour fixed in that behalf under rule 62 and shall not thereafter admit any voter into the polling station:

Provided that, all voters present at the polling station before it is closed shall be allowed to cast their votes.

(2) If any question arises as to whether a voter was present at the polling station before it was closed, it shall be decided by the Presiding Officer and his decision thereon shall be final.

91. Sealing of ballot boxes after poll :-

(1) As soon as practicable after closing of the poll, the Presiding Officer shall, in the presence of any candidates or their polling agents, close the slit of the ballot box and where the ballot box does not contain any mechanical device for closing the slit, he shall seal up the slit and also show any polling agent present, to affix his seal.

(2) The ballot box shall, thereafter, be sealed and secured.

(3) Where it becomes necessary to use a second ballot box by reason of the first box getting full, the first box shall be closed, sealed and secured as provided in sub-rules (1) and (2) before another ballot box is put into use.

92. Account of ballot papers :-

(1) The Presiding Officer shall, at the close of the poll, prepare a

ballot papers account in Form Election-15 and enclose it in a separate cover with the words "Ballot papers account" superscribed thereon.

(2) The Presiding Officer shall permit a polling agent, who so desires, to take a true copy of the entries made in the ballot papers account and shall attest it as a true copy.

93. Sealing of other packets :-

(1) The Presiding Officer shall then make into separate packets,-

(i) the marked copy of the list of voters; (ii) the unused ballot papers;

(iii) the cover containing the tendered ballot papers and the list of the tendered ballot papers;

(iv) the list of challenged votes; and

(v) any other papers directed by the Returning Officer to be kept in a sealed packet.

(2) Each such packet shall be sealed with the seal of the Presiding Officer and of those polling agents present, who may desire to affix their seals thereon.

94. Transmission of ballot boxes, packets, etc. to the Returning Officer :-

(1) The Presiding Officer shall then deliver or cause to be delivered the following to the Returning Officer at such place or places as the Returning Officer may direct:-

(i) the ballot boxes;

(ii) the ballot papers account;

(iii) the sealed packets referred to in rule 93; and (iv) all other papers used at the poll.

(2) The Returning Officer shall make adequate arrangements for the safe transport of all ballot boxes, packets and other papers and for their safe custody until the commencement of the counting of votes.

95. Fresh poll in case of destruction, etc., of ballot boxes :-

(1) If, at any election,-

(i) any ballot box used at a polling station is unlawfully taken out of the custody of the Presiding Officer or the Returning 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 the polling station cannot be ascertained, or

(ii) any such error or irregularity in the procedure as is likely to vitiate the poll is committed at a polling station, the Returning Officer (where the Assistant Election Officer himself is not the Returning Officer) shall forthwith report the matter to the Assistant Election Officer.

(2) The Assistant Election Officer, upon receipt of such report or of his own motion, in the circumstances stated in sub-rule (1) of this rule, shall, after taking into consideration all material circumstances, either,-

(i) declare the poll at the polling station to be void, appoint a day and fix the hours, for taking a fresh poll at that polling station and

notify the day, so appointed and the hours, so fixed in such manner as deemed fit, or

(ii) if satisfied that, the result of a fresh poll at that polling station will not, in any way, affect the result of the election or that the error or irregularity in procedure is not material, issue such directions to the Returning Officer or take such action as he may deem proper for the election.

(3) The provisions of the Act and the rules or the bye-laws shall apply to every such fresh poll as they apply to the original poll.

96. Counting of votes :-

At every election where a poll is taken, votes shall be counted by or under the supervision and direction of the Returning Officer and each contesting candidate and his counting agents shall have a right to be present at the time of counting.

97. Admission to the place fixed for counting :-

(1) The Returning Officer shall exclude from the place fixed for counting of votes all persons except,--

(i) such persons as he may appoint to assist him in the counting;
(ii) persons authorised by the Assistant Election Officer;

(iii) public servants on duty in connection with the election; and
(iv) candidates and their counting agents.

(2) No person, who has been employed by the society or has been otherwise working for a candidate in the election, shall be appointed under clause (i) of sub-rule (1).

(3) The Returning Officer shall decide, which counting agent or agents shall watch the counting at any particular counting table or

group of counting tables.

(4) Any person who, during the counting of votes, misconducts himself or fails to obey the lawful directions of the Returning Officer, may be removed from the place where the votes are being counted by the Returning Officer or by any police on duty or by any person authorised in this behalf by the Returning Officer.

98. Scrutiny and opening of ballot boxes :-

(1) The Returning Officer may have the ballot boxes used at more than one polling station opened and their contents counted simultaneously.

(2) Before any ballot box is opened at a counting table, the counting agents present at that table shall be allowed to inspect the paper seal or such other seal as might have been affixed thereon and to satisfy themselves that it is intact.

(3) The Returning Officer shall satisfy himself that none of the ballot boxes has in fact been tampered with. He shall not count the ballot papers contained in tampered box and shall follow the procedure laid down in rule 95 in respect of that polling station.

99. Scrutiny and rejection of ballot papers :-

(1) The ballot papers taken out of each ballot box shall be arranged in convenient bundles and scrutinised.

(2) The Returning Officer shall reject a ballot paper,-

(i) if it bears any mark or writing by which the voter can be identified; or (ii) if no vote is recorded thereon; or

(iii) if votes are given on it in favour of more than one candidate where only one candidate is to be elected; or

(iv) if, where more than one candidate is to be elected and the voter has recorded on the ballot paper more votes than he is entitled to give; or

(v) if the mark indicating the vote, thereon is placed in such a manner as to make it doubtful as to for which candidate the vote has been given; or

(vi) if it is a spurious ballot paper; or

(vii) if it, is so damaged or mutilated that its identity as a genuine ballot paper cannot be established; or

(viii) if it bears a serial number or is of a design different from the serial number or, as the case may be, design of the ballot papers authorised for use at the polling station; or

(ix) it does not bear the mark which it should have borne under the provisions of sub-rule (3) of rule 84:

Provided that:

(1) Where a Returning Officer is satisfied that any such defect as is mentioned in clause (vii) or (viii) of this sub-rule has been caused by any mistake or failure on the part of the Presiding Officer or the Polling Officer, the ballot paper shall not be rejected merely on the ground of such defect;

(2) A ballot paper shall not be rejected merely on the ground that the mark indicating the vote is indistinct or made more than once, if the intention that the vote shall be for a particular candidate clearly appears from the way the paper is marked;

(3) Before rejecting any ballot paper under sub-rule (2) of this rule, the Returning Officer shall allow each counting agent present a reasonable opportunity to inspect the ballot paper;

(4) The Returning officer shall record the letter "R" on every ballot paper which he rejects and shall also record the grounds of rejection in abbreviated form, either in his own hand or by means of a rubber stamp.

(5) All ballot papers rejected under this rule shall be bundled together.

100. Procedure for counting of votes :-

(1) Every ballot paper which is not rejected under rule 99 shall be counted as one valid vote, provided that, no cover containing tendered ballot papers shall be opened and no such paper shall be counted.

(2) After the counting of all ballot papers contained in all the ballot boxes used at a polling station has been completed, the Returning Officer shall make the entries in a result sheet in Form Election-16 and announce the particulars.

(3) The valid ballot papers shall thereafter be bound together and kept alongwith the bundle of rejected ballot papers in a separate packet which shall be sealed and on which the following particulars shall be recorded, namely:-

(i) the name of the constituency;

(ii) the particulars of the polling station where the ballot papers have been used; and (iii) the date of counting.

101. Counting to be continuous :-

The Returning Officer shall, as far as practicable, proceed continuously with the counting of votes and shall, during any intervals when the counting has to be suspended, keep the ballot papers, packets and other papers relating to the election sealed with his own seal and the seals of such candidates or counting agents as may desire to affix their seals and shall cause adequate precautions to be taken for their safe custody during such intervals.

102. Procedure for counting of votes where there are no separate constituencies or more than one seat to be filled in one Constituency :-

In cases where there are no constituencies defined in the bye-laws or where more than one seat is authorised in the bye-laws for a Constituency, counting of votes for these seats shall be done in the following manner, namely:-

(a) The counting of votes shall be done by and under the supervision of the Returning Officer, with the assistance of such persons as he may appoint to assist in the counting of votes.

(b) After each ballot box is opened for counting, clearly valid voting papers shall be separated from invalid and doubtful voting papers. The invalid and doubtful voting papers shall be submitted to the Returning Officer for decision. The valid voting papers shall thereafter be taken up for counting and the votes recorded in favour of each candidate shall be counted with the aid of the person appointed to assist the counting of votes.

(c) The Returning Officer shall allow the candidates and their counting agents, who be present, reasonable opportunity to inspect all voting papers which, in the opinion of the Returning Officer, are liable to be rejected but shall not allow them to handle those or any other voting papers. The Returning Officer shall, on every voting paper which is rejected, endorse the letter "R". If any candidate or his counting agent questions the correctness of the rejection of any voting paper, the Returning Officer shall also record briefly on such voting paper the ground for its rejection.

(d) After the counting of all voting papers contained in all the ballot boxes used has been completed, the Returning Officer shall cause to be sealed up in separate packets with a description endorsed on each such packet of the voting papers counted and the voting papers rejected.

(e) The Returning Officer shall, as far as practicable, proceed continuously with the counting of the votes and shall, during any intervals when the counting has to be suspended, keep the voting papers, packets and other documents relating to the election sealed with his own seal and the seal of such candidate or counting agents as may desire to affix their seals and shall cause adequate precautions to be taken for their safe custody.

(f) After the counting of ballot papers contained in all the ballot boxes used at the polling stations has been completed, the Returning Officer shall prepare a consolidated statement recording therein the total number of votes polled by each candidate.

103. Re-commencing of counting after fresh poll :-

(1) If a fresh poll is held under rule 95, the Returning Officer shall, after completion of that poll, re-commence the counting of votes on the date and the time and place which have been fixed by him in that behalf and of which notice has been previously given to the candidates.

(2) The provisions of rules 99 and 100 shall apply, so far as may be, to such further counting.

104. Recount of votes :-

(1) After the completion of counting, the Returning Officer shall record in the result sheet in Form Election-16 the total number of votes polled by each candidate and announce the same:

Provided that, when an equality of votes is found to exist between any candidates, either for the reserved or the unreserved seats, and the addition of one vote will entitle any of the candidate to be declared elected, the determination of the person or persons to whom such additional vote shall be deemed to have been given shall be made by lots to be drawn in the presence of the Returning Officer and the candidates who may desire to be present, and in such manner as the Returning Officer may determine.

(2)After such announcement has been made, a candidate or, in his absence, his polling agent may apply in writing to the Returning Officer for a recount of all or any of the ballot papers already counted stating the grounds on which he demands such recount.

(3)On such application being made, the Returning Officer shall decide the matter and may allow the application in whole or in part or may reject it totally, if it appears to be frivolous or unreasonable.

(4)Every decision of the Returning Officer under sub-rule (3) shall be in writing and contain the reasons therefor.

(5)If the Returning Officer decides under sub-rule (3) to allow an application, either in whole or in part, he shall,-

(i) count the ballot papers again in accordance with his decision;

(ii) amend the result sheet in Form Election-16 to the extent necessary after such recount; and

(iii) announce the amendment so made by him.

(6) After the total number of votes polled by each candidate has been announced under sub-rule (1) or sub-rule (5), as the case may be, the Returning Officer shall complete and sign the result

sheet in Form Election-16:

Provided that, no steps under this sub-rule shall be taken on the completion of the counting until the candidates present at the completion thereof have been given a reasonable opportunity to exercise the rights conferred by sub-rule (2).

105. Declaration of result and publication of names of the elected directors :-

(1) The Returning Officer shall then declare the candidate to whom the highest number of valid votes has been given as having been elected and certify the return of election in Form Election-17 and where the Assistant Election Officer himself is not the Returning Officer shall send signed copies thereof to the Assistant Election Officer.

(2) On receipt of the declaration, the Assistant Election Officer shall publish the names of all elected directors by causing a list of such names together with their permanent address and the names of constituencies from which they are elected on the notice board of his office and shall send a copy thereof to the registered address of the society concerned for affixing it on the notice board and also for its record. The Assistant Election Officer shall send a list of the elected directors to the Chief Election Officer.

106. Return of forfeiture of candidates deposit :-

(1) The deposit made under rule 67 shall either be returned to the person making it or to the representative heir or be forfeited to the Co-operative Societies Election Fund in accordance with the provisions of sub-rule (5) of rule 82.

(2) Except in cases hereinafter mentioned in this rule, deposit shall be returned as soon as practicable after the result of the election is declared.

(3) If the candidate is not shown in the list of contesting candidates, or he dies before the commencement of the poll, the deposit shall be returned as soon as practicable after the publication of the list or after his death, as the case may be.

(4) Subject to the provisions of sub-rule (3), the deposit shall be forfeited to the Co-operative Societies Election Fund, if, at an election, where a poll has been taken, the candidate is not elected and the number of valid votes polled by him does not exceed one tenth of the total number of valid votes polled by all the candidates or in the case of election of more than one director at the election, does not exceed one-tenth of the total number of valid votes so polled divided by the number of directors to be elected.

107. Custody of papers relating to elections :-

The Returning Officer shall have the custody of packets referred to in rule 93 and all other papers relating to the elections for a period of 3 months from the date of declaration of result and such packets, shall be handed over to the Assistant Election Officer, thereafter.

108. Production and inspection of election papers :-

While in the custody of the Assistant Election Officer, the packets of unused ballot papers, the packets of used ballot papers, whether valid, tendered or rejected, and the marked copies of the voters list shall not be opened and their contents shall not be inspected by or produced before any person or persons except under the order of the co-operative authority, the Co-operative Tribunal or the High Court of Bombay at Panaji.

109. Disposal of election papers :-

The packets referred to in rule 108 shall be retained for a period of one year and shall thereafter be destroyed subject to any directions to the contrary given by the Co-operative Authority, the Co-operative Tribunal or the High Court of Bombay at Panaji.

110. Co-operative Societies Election Fund :-

(1) There shall be an election fund called the "Co-operative Societies Election Fund" in which all the amounts received as deposits from the contesting candidates, the election expenses received from the societies and any other amounts received in connection with the election shall be credited by the Chief Election Officer, the Assistant Election Officer or any other officer authorised by the Chief Election Officer.

(2) The Chief Election Officer, the Assistant Election Officer or any other person authorised by the Chief Election Officer in that behalf shall be entitled to open and operate the bank account or accounts for the purpose of election expenses to be incurred from out of the amount credited in the Co-operative Societies Election Fund. Such account or accounts shall be operated by any two officers concerned.

(3) The accounts related to the Co-operative Societies Election Fund shall be audited by the auditors of the Co-operative Department within six months from the completion of the respective election and the audit report shall be submitted to the Registrar and the Chief Election Officer within fifteen days of the completion of audit.

(4) The Registrar shall appoint the auditors from among the auditors of the Co-operative Department, to audit the accounts of the Co-operative Societies Election Fund.

(5) Any surplus amount remaining after the completion of the election of the society shall be refunded by the Chief Election Officer to the concerned society within three months from the submission of the audit report to the Registrar.

(6) Interest accrued in the Co-operative Societies Election Fund shall remain as part of the fund and shall not be considered for the purpose of refund.

111. Election to the representative general body :-

The provisions of rules 52 to 110 of this Chapter shall apply mutatis mutandis to the elections of the representative general body of the societies mentioned in section 69 of the Act.

CHAPTER 8 Accounts, Audit and Inquiry

112. Form for rectification of defects :-

Rectification of defects shall be in Form M.

113. Filing fees :-

(1) The filing fees to be paid while submitting the documents specified in section 81 of the Act shall be as follows:-

Society whose-

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(a) Paid up capital is upto Rs. 1.00 lakh	Rs. 100/-
(b) Paid up capital exceeds Rs. 1.00 lakh but does not exceed Rs. 5.00 lakhs	Rs. 200/-
(c) Paid up capital exceeds Rs. 5.00 lakhs but does not exceed Rs. 25.00 lakhs	Rs. 300/-
(d) Paid up capital exceeds Rs. 25.00 lakhs	Rs. 500/-

(2) The Registrar may levy additional fees for the delay in submitting the documents specified in section 81 of the Act, as follows:-

In case of-

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(a) delay in filing upto 6 months	1 time
(b) delay of above 6 months but upto 12 months	2 times
(c) delay of above 12 months but upto 24 months	3 times
(d) delay of above 24 months but upto 36 months	4 times

(e) delay of above 36 months but upto 60 months	5 times
(f) delay beyond 60 months and above	10 times

Explanation:- The provisions of this rule shall not apply to the annual general meeting or special general meeting held to adopt the accounts for the year prior to the coming into force of the Act.

114. Levy of audit fees, costs and expenses :-

(1) (a) The Registrar may levy audit fees payable annually by the societies notified under sub-section (2) of section 74 of the Act on or before the date specified by him and at such rates as may be fixed by him with the approval of the Government.

(b) Such rates may be revised from time to time.

(2) The societies under liquidation and societies whose audit is done by the Registrar under sub-section (6) of section 74 of the Act shall pay the audit fees at the same rate as fixed for the societies under sub-rule (1).

(3) The cost and expenses of special audit payable by the creditor under sub-section (2) of section 76 of the Act and the expenses of inquiry payable under sub-section (3) of section 77 of the Act as may be fixed by the Registrar shall be paid to the Registrar.

(4) All such fees and expenses if not paid by the specified date shall be recovered as arrears of land revenue.

CHAPTER 9 Disputes and Co-operative Authorities

115. Reference of dispute :-

A reference of a dispute under section 83 of the Act shall be made in writing to the Co-operative Authority in Form N.

116. Qualifications of Co-operative Authorities :-

(1) No person shall be eligible for appointment as a Co-operative Authority unless,-

(i) he is holding or has held a judicial office not lower in rank than that of a Civil Judge (Junior Division); or

(ii) he has practiced as an Advocate for not less than five years; or

(iii) he holds a post of Assistant Registrar of Co-operative Societies and has worked in the Co-operative Department for not less than 5 years as on the date of his appointment to the post of Co-operative Authority, whether possessing a degree in Law or not.

(2) The number of Co-operative Authorities appointed under clause (iii) of sub-rule (1), shall at no time exceed two third of the total number of co-operative authorities.

117. Age limit of Co-operative Authorities :-

No person shall hold or continue to hold office of a Co-operative Authority after he attains the age of 58 years.

118. Conditions of service of Co-operative Authorities :-

If a Co-operative Authority is in Government service at the time of his appointment, his pay, allowance and other conditions of service shall continue to be governed by the service conditions and rules applicable to him before such appointment and if he is a direct recruit, his pay, allowances and other conditions of service shall be governed by the rules made by the State Government, from time to time.

119. Procedure for hearing and decision of disputes :-

(1) The Co-operative Authority shall record the evidence of parties to a dispute and the witnesses who attend. Upon the evidence so recorded and upon consideration of any documentary evidence

produced by the parties, a decision shall be given by him in writing. Such decision shall be pronounced in open Court by the Co-operative Authority, either at once or as soon as may be practicable on some future day, of which due notice shall be given to the parties.

(2)Where neither party appears when the dispute is called on for hearing, the Co-operative Authority may make an order that it be dismissed for default.

(3)Where the opponent appears and the disputant does not appear when the dispute is called on for hearing, the Co-operative Authority may make an order that the dispute be dismissed, unless the opponent admits the claim or a part thereof, in which case the Co-operative Authority, as the case may be, may make an order against the opponent upon such admission, and where, part only of the claim is admitted, may dismiss the dispute so far as it relates to the remainder.

(4)Where the disputant appears and the opponent does not appear, when the dispute is called for hearing, then, if the Co-operative Authority is satisfied from the records and proceedings that the summons was duly served, the Co-operative Authority may proceed ex-parte. Where the summons is served by the Officer of the Co-operative Authority, he shall make his report of service on oath.

(5)The Co-operative Authority may not ordinarily grant more than two adjournments to each party to the dispute at his request. The Co-operative Authority may, however, at his discretion, grant such further adjournments on payment of such cost to the other side as the Co-operative Authority may direct.

(6)Any party to a dispute may apply for and obtain a certified copy of any order, judgment or award made by the Co-operative Authority on payment of copying fees at the rate of Rs. 5/- for every page of full scape size or any part thereof and Rs. 10/- for every page of double the full size or part thereof, of order,

judgment or award;

120. Summonses, notices and fixing of dates, place, etc., in connection with the disputes :-

(1) The Co-operative Authority may issue summonses or notices at least fifteen days before the date fixed for hearing of the dispute, requiring,-

(i) the attendance of the parties to the dispute and of witnesses, if any, and

(ii) the production of all books and documents relating to the matter in dispute.

(2) Summonses or notices issued by the Co-operative Authority may be served through any employee of the co-operative authority or by registered post with acknowledgement due.

(3) The employee of the Co-operative Authority serving a summons or notice shall, in all cases in which summons or notice has been served, endorse or annex or cause to be endorsed on or annexed to the original summons or notice, a return stating the time when, and the manner in which, the summons or, as the case may be, notice was served, and the name and address of the person, if any, identifying the person served and witnessing the delivery or tender of the summons or the notice.

(4) The Co-operative Authority issuing the summons or notice may examine the serving employee on oath and may make such further inquiry in the matter as he thinks fit and shall, either declare that the summons or, as the case may be, notice has been duly served or order it to be served in such manner as he thinks fit.

121. Investigation of claims and objections against any attachment :-

Where any claim or objection has been preferred against the attachment of any property under section 88 of the Act on the ground that such property is not liable to such attachment, the Co-operative Authority shall investigate into the claim or objection and dispose it of, on merits:

Provided that, no such investigation shall be made when the Co-operative Authority is of the opinion that the claim or objection is frivolous.

122. Procedure for the custody of property attached under section 88 :-

(1) Where the property to be attached under section 88 of the Act is movable property, other than agricultural produce in the possession of the debtor, the attachment shall be made by the 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 expenses of keeping it in custody is likely to exceed its value, the attaching Officer may sell it at once.

(2) Where it appears to the Officer ordering conditional attachment under section 88 of the Act to be just and convenient, he may appoint a Receiver for the custody of the movable property attached under that section and his duties and liabilities shall be identical with those of a Receiver appointed under Order XL in the First Schedule to the Code of Civil Procedure, 1908 (V of 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) A copy of the order shall be fixed on a conspicuous part of the property and in the office of the Village Panchayat and where the property is land paying revenue to the State Government, also in the office of the Mamlatdar and Talathi within whose jurisdiction the property is situated.

123. Procedure for attachment and sale of property for realisation of any security given by person in course of execution proceedings :-

The procedure laid down in rules 120 and 122 shall, mutatis mutandis, apply for attachment and sale of property for the realisation of any security given by a person in the course of execution proceedings.

124. Procedure for execution of awards and orders of Co-operative Authority, Registrar and Liquidator :-

(1) Every award passed by the Co-operative Authority under section 89 of the Act or order under section 88 of the Act or under any other provisions of the Act shall be forwarded by the Co-operative Authority to the society or the party concerned with instructions that the society or, as the case may be, the party concerned should initiate execution proceedings forthwith according to the provisions of section 91 of the Act.

(2) If the award or order referred to in sub-rule (1) is not carried out, it shall be forwarded by the society or as the case may be, by the party concerned, to the Co-operative Authority with an application for execution in Form O.

(3) On receipt of such application for execution, the Co-operative Authority shall execute the award or order, as far as may be, in the same manner as a decree of a Civil Court.

(4) Every order passed by the Registrar or the Liquidator, which is not complied with and referred by the Registrar or the Liquidator to the Co-operative Authority, shall be executed by the Co-operative Authority in the manner laid down in sub-rule (3).

(5) Every order passed in appeal under section 114 or in review under section 115 of the Act shall also be executed in the manner laid down in sub-rule (3).

125. Transfer of property which cannot be sold :-

(1) When, in execution of an award or order sought to be executed under section 91 of the Act, any property cannot be sold for want of buyers, if such property is in the possession of the defaulter or some person on his behalf, or of some person claiming it under a title created by the defaulter subsequent to the commencement of execution proceedings under sub-rules (3), (4) and (5) of rule 124, the officer conducting the execution shall, as soon as practicable, report the fact to the co-operative authority and the society applying for the execution of the said award or order.

(2) On receipt of a report under sub-rule (1), the society may, within six months from the date of receipt of the report or within such further period as may, for sufficient reasons, be allowed in any particular case by the Co-operative Authority, submit an application in writing to the Co-operative Authority, stating whether or not it agrees to take over such property.

(3) On receipt of an application under sub-rule (2), notices 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 any 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 commencement of execution

proceedings under sub-rules (3), (4) and (5) of rule 124 may, within one month from the date of receipt of such notice, deposit with the Co-operative Authority, for payment to the society a sum equal to the amount due under the order sought to be executed together with interest thereon and such additional sum for payment of costs and other incidental expenses as may be determined in this behalf by the Co-operative Authority.

(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 co-operative authority shall direct the property to be transferred to the society or the Liquidator, as the case may be, and issue a certificate of transfer in Form P.

(6) The certificate granted under sub-rule (5) shall state whether the property is transferred to the society in full or in 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 Co-operative Authority may recover the balance due to the society in the manner laid down in section 91 of the Act.

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

(i) In the case of moveable property-

(a) where the property is in the possession of the defaulter himself or has been taken possession of on behalf of the Co-operative Authority, it shall be delivered to the society;

(b) where the property is in the possession of some person on behalf of a 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;

(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 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 and cutting and gathering it;

(b) where the property is in the possession of the defaulter or of some person on his behalf or some one claiming under a title created by the defaulter subsequent to the commencement of execution proceedings under sub-rules (3), (4) and (5) of rule 124, the Co-operative Authority 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;

(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 commencement of execution proceedings under sub-rules (3), (4) and (5) of rule 124, the Co-operative Authority 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 any 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 live-stock, if any, according to such scale as may be fixed by the Co-operative Authority from time to time.

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

(11)The society shall forthwith report any transfer of property under sub-clauses (b) or (c)of clause (ii) of sub-rule (8) to the revenue authority 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 such defaulter a separate account showing all the expenses incurred including payment to 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 the defaulter, the first option being always given to the defaulter who originally owned the property. The sale shall be subject to confirmation by the Co-operative Authority. The proceeds of the sale shall be applied to defraying the expenses of the sale and other expenses incurred by the society and referred to in sub- rules (9) and (12) and to the payment of the arrears due by the defaulter under the order in execution and 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 endeavours 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 management of the property, the property, if unsold, shall be restored to the defaulter.

Explanation:- In this rule, the word "society" includes the society under liquidation.

126. Payment of fees for decisions of disputes and execution of awards or orders :-

(1) The fees payable to the Co-operative Authority for decision of disputes referred under section 83 of the Act, for recovery of losses under section 82 of the Act and execution of awards or orders under section 91 of the Act, shall be specified by the Registrar, by general or special order and such fees shall be payable to the Co-operative Authority as provided in sub-rule (2). In specifying the scale of fees, the Registrar shall provide different scale for "simple money claims", "complicated money claims" and "other type of dispute".

Explanation:- For the purpose of this sub-rule, "simple money claim" means the claim of a society the object clauses of which provide for sanction of credit to its members, based on loan bonds, promissory notes, admissions or an acknowledgement, and "complicated money claims" means all money claims other than simple money claims. The question regarding the classification of a dispute for the purpose of this sub-rule shall be decided by the Registrar or the Co-operative Authority deciding the dispute and the decision of the Registrar or the Co-operative Authority, as the case may be, shall be final.

(2) (i) The fees to be paid for disputes under section 83 of the Act shall be paid by the disputant to the Co-operative Authority on filing of the reference.

(ii) The fees in respect of recovery of losses under section 82 of the Act and execution of awards or orders under section 91 of the Act shall be paid by the concerned person or society as per the order of the Co-operative Authority.

(iii) The fees payable under clause (ii) above, if not paid as per the order of the Co-operative Authority, shall be recovered as arrears of land revenue.

CHAPTER 10 Liquidation

127. Mode of communication of an interim order under section 92 :-

An interim order under sub-section (1) of section 92 of the Act shall be communicated by the Registrar by registered post (with acknowledgement due) to the society.

128. Cost of hearing appeal :-

No appeal from a member under section 94 of the Act shall be entertained unless it is accompanied by a sum of Rs. 500/- or such higher amount not exceeding Rs. 1000/- as may be directed by the appellate authority as security for the cost of hearing the appeal.

129. Appointment of Liquidator and the procedure to be followed and powers to be exercised by him :-

The following procedure shall be adopted for the appointment of the Liquidator and for the exercise of his powers, namely:-

(1)The appointment of the Liquidator shall be notified by the Registrar in the Official Gazette.

(2)As soon as may be after the interim order is issued under section 92 of the Act, the Liquidator shall take over the custody and control of all the property, effects and actionable claims and books, records and other documents pertaining to the business of the society and continue to hold custody and control thereof until the interim order is vacated.

(3)Where the interim order is vacated, the Liquidator shall take action in accordance with the provisions of sub-section (6) of section 93 of the Act.

(4)Where the Liquidator has received the Registrars final order confirming the interim order, the Liquidator shall 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 and 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 the society shall be deemed ipso facto to have been duly notified to the Liquidator under this rule.

(5)The Liquidator shall, after settling the assets and liabilities of the society as they stood on the date on which the order for winding up is made, proceed to determine the contribution to be made or remaining to be made to the assets of the society by persons and estates referred to in clause (j) of sub-section (1) of section 95 of the Act and by order, call upon each of them to pay the amount specified in the order as contribution and as costs of the liquidation determined under clause (m) of sub-section (1) of section 95 of the Act. Every such order shall be submitted for approval to the Registrar, who may modify it or refer it back to the Liquidator for further inquiry or other action or may forward it for execution under section 91 of the Act.

(6)If the sum assessed against any member is not recovered, the Liquidator may issue subsidiary order or orders against any other member or members to the extent of the liability of each for the debts of the society until the whole amount due from the members is recovered. The provisions of sub-rule (5) shall, mutatis mutandis, apply to such orders.

(7)The Liquidator shall submit a quarterly progress report and such other returns and statements to the Registrar in such forms as the Registrar may require, showing the progress made in the liquidation of the society.

(8)The Liquidator may empower any person, by general or special order in writing, to make collections and to grant valid receipts, on

his behalf.

(9) Unless otherwise permitted by the Registrar all funds in charge of the Liquidator shall be deposited in the apex co-operative bank and shall stand in the name of the Liquidator.

(10) The Registrar shall fix the amount of remuneration, if any, to be paid to the Liquidator and the remuneration shall be included in the cost of liquidation which shall be payable out of the assets of the society in priority to other claims.

(11) The Liquidator shall have power to call meeting of members of the society in liquidation.

(12) The Liquidator may submit an application to the Registrar, for the reconstruction of the society under section 16 of the Act if he is of the opinion that such reconstruction has a reasonable chance of success.

(13) The Liquidator may, at any time, be removed by the Registrar and he shall, on such removal, be bound to hand over all the property and documents relating to the society in liquidation to such person or persons as the Registrar may direct.

(14) The Liquidator shall not exercise the powers under clauses (c), (f), (g), (h), (i), (j) and (k) of sub-section (1) of section 95 of the Act without the prior approval of the Registrar.

(15) The Liquidator shall keep such books and accounts as may, from time to time, be required by the Registrar.

(16) At the conclusion of the liquidation proceedings, a general meeting of the members of the society shall be called. At such meeting, the Liquidator shall summarise his proceedings, point out 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 and suggest how the surplus, if any, should be utilised.

130. Disposal of surplus assets :-

Where the Registrar has to divide the surplus assets amongst members of the society which has been wound up, he shall divide them in proportion to the share capital held by each of such members or in any other suitable manner sanctioned by the Government in special cases.

131. Interest on amount due from a society under liquidation :-

The creditor of a society, which is being wound up, may apply to the Liquidator, for payment of interest on any debt due from the society upto the date of the Registrars order for winding up. The rate at which interest shall be paid shall be, in the case of a Co-operative bank permitted

by the Registrar to finance societies, the contract rate and in any other case, the rate which may be fixed by the Registrar which shall not exceed the contract rate:

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

132. Disposal of records of society whose registration is cancelled :-

(1) When an order directing a society to be wound up is issued under section 92 of the Act and no Liquidator is appointed, the Officers of the society which is wound up, shall, within fifteen days of the publication of the order in the Official Gazette, send by registered post, the records and books of the society to the Registrar or to the Assistant Registrar or hand over the same to the auditor.

(2)As soon as may be after the affairs of a society for which a Liquidator has been appointed have been wound up and an order cancelling the registration is made under section 19 of the Act, the Liquidator shall forward all the books and records of the wound up society and all his own papers and proceedings, by hand delivery or registered post to the Registrar or the Assistant Registrar concerned 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 proceedings of liquidation, shall be destroyed by the Registrar or the Assistant Registrar, as the case may be, after the expiry of two years from the date of the order cancelling the registration of the society.

CHAPTER 11 Co-operative Housing Societies

133. Fees for non-occupancy of plot or dwelling unit :-

A member of a co-operative housing society who has been given consent under section 107 of the Act for parting possession of his plot of land or dwelling unit shall pay every month to the society a non-occupancy fee not exceeding 5% of the fees or compensation as provided in the document between the member and sub-allottee as may be laid down in the bye-laws of the society:

Provided that no such fees shall be paid if possession of such plot or dwelling unit is parted with by a member, to a member of his family as defined in Explanation under section 6 of the Act.

134. Fees and premium for transfer of shares or interest of the member :-

(1) A member whose application for transfer of shares and occupancy right in the property of the society is accepted by the society shall pay transfer fees not exceeding Rs. 1,000/- as may be provided in the bye-laws of the society and an amount of premium not exceeding 1 % of the value of the plot or dwelling unit as shown in the transfer document:

Provided that no such premium shall be paid in the matter of a transfer to a member of a family as defined in Explanation to section 6 of the Act.

(2) In case of transfer of share and interest or occupancy right from individual member to joint member, such transfer fee and premium shall also be payable.

(3) The amount of transfer fees shall be credited by the Society to its reserve fund and the amount of premium shall be credited to a fund called "common amenities fund" to be used for common amenities in the society.

135. Contribution for repairs and maintenance expenses :-

A member shall pay contribution to the society at the rate per square metre of the built up area/super built area of each unit as may be provided on an equitable basis in the bye-laws of the society.

136. Certificate of allotment of plot/dwelling unit/commercial unit :-

The certificate of allotment of plot/dwelling unit and commercial unit to be issued by the society under section 104 of the Act shall be in Form Q.

CHAPTER 12 Appeals, Review and Revision

137. Seat of the Co-operative Tribunal :-

(1) The seat of the Goa Co-operative Tribunal shall be at Panaji, but the co-operative tribunal may sit at any other place convenient for the transaction of the business, which the President, with the approval of the State Government, may, by general or special order, notify in the Official Gazette.

(2) The Tribunal shall sit in such manner as may be specified by the regulations framed under section 114 of the Act.

138. Co-operative Tribunal Regulations :-

The co-operative tribunal shall frame regulations consistent with the provisions of the Act and the rules made thereunder, for regulating its procedure and the disposal of its business. The regulations shall be published in the Official Gazette.

CHAPTER 13 Miscellaneous

139. Fees and charges to be credited to Government :-

All fees paid under sub-section (3) of section 98 of the Act and charges levied for audit and all other fees and charges payable under the provisions of this Act and the rules framed thereunder shall be credited to the Government.

140. Repeal and saving :-

(1) The Co-operative Societies Rules, 1962, for the State of Goa are hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the Rules so repealed shall, unless such thing or action is inconsistent with the provisions of these Rules, be deemed to have been done or taken under the corresponding provisions of these Rules.