GOVERNMENT OF PUDUCHERRY

Development Department

(G. O. No. 60. dated 13th May 1974)

NOTIFICATION

In exercise of the powers conferred by sub-section (3) of section 1 of the Puducherry Co-operative Societies Act, 1972 read with sub-rule (2) and rule 1 of the Puducherry Co-operative Societies Rules, 1973, the Lieutenant-Governor of Puducherry hereby appoints the first day of July, 1974 as the date from which the provision of the said Act and Rules shall come into force in the Union territory of Puducherry.

(By order of the Lieutenant-Governor)

L. SRIDHARAN.

Under Secretary to Government.

GOVERNMENT OF PUDUCHERRY

Development Department

(G. O. Ms. No. 61, dated 13th May 1974)

NOTIFICATION

In exercise of the powers conferred by sub-sections (1) and (2) of section 170 of the Puducherry Co-operative Societies Act, 1972 (Act 7 of 1973) * the Lieutenant-Governor, Puducherry hereby makes the following rules—

THE PUDUCHERRY CO-OPERATIVE SOCIETIES RULES, 1973

CHAPTER-I

PRELIMINARY

1. **Short title**.— (1) These rules may be called the Puducherry Co-operative Societies Rules, 1973.

2. **In these rules, unless the context otherwise requires**,—

(a) "Act" means the Puducherry Co-operative Societies Act, 1972 (Act No. 7 of 1973);

* vide corrigendum issued in G. O.Ms. No.45 dt. 3-5-75.

(b) "Decree" means any decree, order, decision or award referred to in section 133 ;

(c) "decree holder" means any society or any person or the Government in whose favour a decree has been passed;

(d) "default" means failure on the part of the society member or other person, to repay to the financing bank or any other society a loan or any other amount due to it within the time fixed for repayment, or to return to the society within the time fixed the finished goods in respect of raw material advanced, or to keep any other obligation for the fulfillment of which a time limit has been specified in the by-laws;

(e) "defaulter" means any society against which or any person against whom a decree has been obtained;

(f) "Form" means a form set out in the schedule to these rules;

(g) "General Body" or " a meeting of the general body" means in relation to a society which has provided for the constitution of a representative general body under clause (b) of sub-section (1) of section 31, such representative general body in respect of the powers exercisable by the representative general body or a meeting of such representative general body;

(h) "Registrar of the Region" means a person sub-ordinate to the Registrar and empowered by him to exercise within a region, under sections 133 and 134;

(i) "Region" means any of four regions, viz., Puducherry, Karaikal, Mahe and Yanam comprised in the Union territory of Puducherry;

(j) "Section" means a section of the Act;

(k) "Society" means registered society;

(l) "Working Capital" mean such portion of the reserve fund, paid-up share capital, loans and deposits received by a society and debentures issued by a society as have not been invested in buildings and other fixed assets.

CHAPTER – II
REGISTRATION OF CO-OPERATIVE SOCIETIE AND THEIR BY-LAWS.

3. **Form of application for Registration**.— Every application for the registration of a society under section 8 shall be made in duplicate and in

Form No.1.

4. **Subject matter of by-laws.—**

(1) The by-laws shall deal with the following matters, namely: —

(a) the name and registered address of the society;

(b) the area of its operations;

(c) the objects of the society;

(d) the purpose to which its funds are applicable;

(e) the qualifications such as residence, occupation, property, etc., for admission to membership and the payment, if any, to be made or interest to be acquired as a condition precedent for exercising the right of membership;

(f) the nature and extent of the liability of the members for the debts contracted by the society;

(g) subject to these rules, the admission of minors, persons of unsound mind or of associate members, if any, and their privileges, rights and liabilities ;

(h) the nature and amount of share capital, if any, of the society;

(i) the entrance and other fees and the fines, if any, to be collected from members;

(j) the circumstances under which withdrawal of membership shall be permitted;

(k) the procedure as to how the assets and liabilities of an expelled member in a society shall be dealt with;

(l) the constitution and reconstitution of the committee and removal of the officers and the duties and powers of the committee and the officers;

(m) the circumstances under which the society may borrow funds, the maximum rate of interest payable on borrowings and the procedure to be followed in so borrowing;

(n) the manner in which the society shall transact business with its members and others and the terms and conditions governing such business;

(o) the mode of custody and investment of the funds and subject to the rules, the mode of keeping the accounts;

(p) the authorisation of an officer or officers to sign documents and to institute and defend suits and other legal proceedings on behalf of the society;

(q) the preparation and submission of such annual or other statements as are specified in these rules and the publication of the same;

(r) the funds or purposes to which and the rates at which contribution from net profits may be made under clause sixthly of section 71;

(s) the maximum dividend payable on paid-up share capital to members;

(t) the settlement of disputes touching the constitution of the committee or the management or the business of the society falling within the purview of section 84;

(u) the affiliation of the society to a financing bank or any other institution and the charges to be paid in respect of such affiliation;

(v) the authority competent to fix, revise or regulate the scales of pay and allowances of employees of the society and the conditions of service of employees of the society providing for: ─

(i) the age of entry in service and for retirement on superannuation;

(ii) the minimum educational and other qualifications for the several categories of employees;

(iii) the method of recruitment of candidates;

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(iv) the service conditions including leave to which employees are eligible, the authority competent to sanction leave, the penalties to be imposed for lapses by way of disciplinary action and the authority competent to impose such penalties and the appellate authority in respect of disciplinary action taken by such authority;

(v) the institution of contributory provident fund and payment of gratuity on retirement or death ;

(vi) the inspection of the accounts of the society by members; and

(vii) the utilisation of the reserve and other funds constituted by the society out of profits.

(2) The by-laws may also deal with such other matters incidental to the organisation and working of the society and the management of its business, as may be deemed necessary.

5. **Procedure on receipt of application**. ─

(1) The Registrar, may before passing final orders on an application for registration of a society, call for such further information or make such enquiry as he may deem necessary or in consultation with the applicants, alter the draft by-laws submitted with the application for registration.

(2) Where a society and its by-laws are registered, the Registrar shall grant to such society free of cost a certificate of registration in

Form No.2 signed by him and bearing his official seal and he shall also issue to the society together with such certificate a certified copy of the draft by-laws as approved and registered by him. The by-laws shall, subject tot eh result of any order passed on appeal or in revision as provided by the Act, be the by-laws of the society;

(3) A copy of the certificate of registration together with a copy of such by-laws shall be furnished by the Registrar to the financing bank, central or apex society concerned.

6. **Period within which societies should commence working**.

Every society shall commence working within a period of three months from the date of registration, but the Registrar may extend such period if in his opinion such extension is necessary;

Provided that the total period shall not exceed twelve months from the date of registration of the society;

Explanation: For the purpose of this rule, the society shall be deemed to have commenced working if it has held the first general meeting after its registration, and admitted members or has allotted shares and its committee has been constituted.

7. **Procedure regarding amendment of by-laws**. ─

(1) The following procedure shall be adopted in regard to amendment to the by-laws of a society, namely: ─

(i) Except as otherwise provided in these rules, every amendment shall be made only by a resolution passed by a majority of the members present and voting at a meeting of the general body and such resolution shall be forwarded to the Registrar within two months from the date of meeting at which such amendment was passed, provided that the Registrar may condone the delay, if any, for sufficient cause.

(ii) No such resolution shall be valid unless notice of the amendment has been given in accordance with these rules and by-laws.

(iii) Every application made to the Registrar for the registration of an amendment shall be signed by the President and two members of the committee and shall contain the particulars, namely: ─

(a) the date of the general body meeting at which the amendment was made.

(b) the number of days' notice given to convene the general body meeting;

(c) the total number of members of the society on the date of such meeting;

(d) the number of members who formed the quorum for such meeting; (e) the number of members present at such meeting;

(f) the number of members who exercised their votes at the meeting; and

(g) the number of members who voted for the amendment.

(2) Where an amendment of any of the by-laws proposed by a society involves in the opinion of the Registrar a material change in the objects or operations of the society, he may register the amendment only if the society, has followed the procedure specified in Rule 12.

8. **Procedure regarding the change of liability**.─ Without prejudice to rule 7, no amendment to the by-laws of a society changing its liability from unlimited to limited under section 5 shall be registered, unless─

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(i) the amendment has been approved by a resolution passed by a majority of not less than two-third of the members present and voting at a meeting of the general body specially called for the purpose of which at least seven clear days' notice has been given to all its members; and

(ii) the claims of all the members and creditors who have exercised the option referred to in clause (ii) of the proviso to section 5 within the period specified therein have been satisfied.

9. **Manner of consulting the financing bank regarding amendment of by-laws under section 12**. ─ Before calling upon any society to show cause why an amendment and of the by-laws should not be made under sub-section (1) of section 12, the Registrar shall furnish to the financing bank, if any, to which the society is affiliated, a copy of the proposed amendment together with a statement of the reasons for, and the purpose of, the amendment and require the financing bank to state, within such time, as he may specify, its views on the proposed amendment. The Registrar shall, before proceeding further with the proposed amendment, consider the views, if any, of such financing bank received by him before the time specified as aforesaid.

10**. Registrar to keep a record of names, addresses and by the laws of societies**- The Registrar shall keep─

Form No.3 and

(ii) a copy of the by-laws of each society with all subsequent amendments thereto, arranged in the order in which the amendments are registered.

11. **Classification of societies**. ─

(1) The societies may be classified as follows: ─

(a) Co-operative Union;
(b) Credit society;
(c) Distributive society;
(d) Farming society; (e) Housing society;
(f) Labour Contract society;
(g) Marketing society;
(h) Miscellaneous society; (i) Processing society;
(j) Productive society;
(k) Training Institute;

(2) In these rules, unless the context otherwise requires,─

(a) "co-operative union" means a society which has as its principal object the undertaking of co-operative education, propaganda and training;

(b) "credit society" means a society which has its principal object the raising of funds to be lent to its members primarily for production or for any useful purpose.

Explanation: Where all or a majority of the members of a credit society, which is not a financing bank, are agriculturists, such society shall be classified as an agricultural credit society and any other credit society not being a financing bank shall be classified as a non-agricultural credit society;

(c) "distributive society" means a society which has as its principal object the supply of the domestic and other requirements of its members for the consumption of such members;

(d) "farming society" means a society which has as its principal object the organising of cultivation jointly or otherwise of the lands held by the society or by its members with a view to increasing agricultural production and employment by proper utilization of land, labour and other resources;

(e) "housing society" means a society which has as its principal object the construction of houses for its members or financing or facilitating the construction of houses by its members;

(f) "labour contract society" means a society which has as its principal object the securing and provision of employment to its members by executing works with the help of its members or through them;

(g) "marketing society" means society which has as its principal object the arranging for the marketing of the agricultural and other produce or products of its members or the undertaking of the distribution of commodities, and includes any society which has as its principal object the provision of facilities for the operation of a marketing society;

(h) "miscellaneous society" means a society which does not fall under any other clause of this sub-rule;

(i) "processing society" means a society which has as its principal object the undertaking of the processing of the produce or other raw materials of its members such as ginning, crushing, decorticating, pressing, hulling or curing and includes any society which has as its principal object the provision of facilities for the operation of a processing society;

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(j) "productive society" means a society which has as its principal object the production of articles with the help of its members or through them and includes any society which has as its principal object the provision of facilities for the operation of the productive society;

(k) "training institute" means a society which has as its principal object the conducting of courses of training in the theory and practice of co-operation and allied subjects.

(3) Every society shall be classified by the Registrar in accordance with sub-rule (1) and (2) .

(4) The Registrar may subdivide any class of societies into categories with reference to the composition of their membership, the nature of business transacted by them or the articles handled by them or any other similar consideration.

(5) If any society classified as aforesaid is a federal, society, it may be further classified under any of the following heads, namely: ─

(a) apex society;
(b) central society;
(c) primary society;

Explanation: In these rules, unless the context otherwise requires─

(i) "apex society" means a society whose area of operations extends to the whole of Union territory of Puducherry and which has as its principal object the promotion of principal objects and the provision of facilities for the operations of other societies affiliated to it;

(ii) "central society" means a society whose area of operations is confined to a part of the Union territory of Puducherry and which has as its principal object the promotion of principal objects and the provision of facilities for the operations of other societies affiliated to it;

(iii) "primary society" means a society which is neither an apex nor a central society.

(6) If any question arises as to the class to which a society belongs within the meaning of this rule, the question shall be referred to the Registrar whose decision shall be final.

12. **Procedure for conversion of society into a different class**. ─

(1) Any society may, at a meeting of its general body of the members of the society specially called for the purpose, of which at least seven clear days' notice shall be given to its members, resolve to convert itself by amendment of its by-laws into a society of a class different from the one to which it belongs and the said resolution (hereinafter in this rule referred to as the preliminary resolution) shall include the amendments to the by-laws proposed for adoptions by the society.

(2) (i) A copy of the preliminary resolution shall be sent to all the members and creditors of the society.

(ii) Any member of the society may, notwithstanding any by-laws to the contrary, by notice given to the society within a period of one month from the date of receipt by him of the preliminary resolution, intimate his intention to withdraw his share capital from the society.

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

(3) (i) After the expiry of two months from the date of despatch of the preliminary resolution to all the members and creditors of the society, a meeting of the members of the society of which at least fifteen clear days' notice shall be given to its members shall be convened for considering the preliminary resolution.

(ii) If at such meeting the preliminary resolution is confirmed by a resolution passed by not less than two-thirds of the members present and voting, either without changes or with such changes, as, in the opinion of the Registrar, are not material, he may, on receipt of a copy of such resolution certified in the manner specified and subject to the provisions of sub-rule (5) and section 9, register the amendments to the by-laws adopted by the society. On such registration, the conversion shall be deemed to have taken effect.

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

(4) At the meeting referred to in sub-rule (3), provision shall be made by another resolution for─

(i) the repayment of the share capital of all members who have given notice under clause (ii) of sub-rule (2) ; and

(ii) the satisfaction of the claims of all the creditors who have given notice under clause (iii) of sub-rule (2);

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Provided that no member or creditor shall be entitled to such repayment or satisfaction until the preliminary resolution is confirmed as provided in sub-rule (3).

(5) If, in the opinion of the Registrar, the provision made for the repayment of the share capital of the members and the satisfaction of the claims of the creditors referred to in sub-rule (4) is not satisfactory, the Registrar may refuse to register the amendments adopted to the by-laws of the society.

CHAPTER – III
ACCOUNTS AND BOOKS TO BE MAINTAINED

13. **Accounts and other books to be maintained by societies**:

Every society shall keep and maintain the following accounts and books for the purpose of recording the business transacted by it: ─

(a) minutes book for recording the proceedings of the committee and of the general body of the members;

(b) register of applications for membership, containing the name and address of the applicant, the date of receipt of application, the number of shares applied for and in case of refusal, the date of communication of the decision refusing admission to the applicant;

(c) admission book, showing the name and address of each member, the date of admission, the shares taken by him and the amount paid by him towards such shares and the amount of share capital, if any, refunded to him together with the date of each such payment and refund;

(d) nomination register;

(e) cash book showing daily receipts and expenditure, and the balance at the end of each day;

(f) receipt book, containing forms in duplicate, one of each set to be issued for money received by the society and the other to serve as counterfoil;

(g) voucher file containing all vouchers for contingent expenditure incurred by the society numbered serially and filed chronologically;

(h) ledger of borrowings, showing deposits and other borrowings of all kinds;

(i) In the case of societies issuing loans—

(i) loan ledger, showing the number and date of disbursement of each loan issued to members, the amount of loan, the purpose for which

it is granted and the date or dates of repayment, distinguishing principal and interest.

(ii) liability register showing the indebtedness of each member to the society whether on account of loans taken directly by him or on account of loans for which he stands as surety.

(j) in the case of a society with unlimited liability, property statement of members showing the assets and liabilities of each individual member on the date of his admission with full details of property including the survey number of lands, the statement being revised as often as may be necessary and in any case at least once in three years and such statements being entered in a register in a stitched volume;

(k) in the case of a society, the working capital of which exceeds twenty thousand rupees, general ledger showing receipts and disbursements and the outstandings under various heads from day to day;

(l) in the case of a society to which rule 51 applies, register of fluid resources showing the immediate liabilities of the society and the extent of fluid resources available to meet them;

(m) monthly register of receipts and disbursement;

(n) Register of dividend;

(o) such other accounts and books as may be specified by the Registrar from time to time.

14. **Power of Registrar to direct accounts and books to be written up**.— The Registrar may, by order in writing, direct any society to get any or all of the accounts and books required to be kept by it under Rule 13 written up to such date, in such form and within such date as he may direct. In case of failure to do so, the Registrar may depute an officer subordinate to him to write up the accounts and books. In such cases it shall be competent for the Registrar
determine with reference to the time involved in the work and the emoluments of the officer deputed to do it, the charges which the society concerned shall pay to the Government and direct its recovery from the society.

15. **Period for which account books are to be maintained by the societies**.— The following records shall be retained till the completion of the period indicated below, from the date of issuing of the last Audit certificate to which the accounts relates: —

1. Original Certificate of Registration with the Registered by-laws …Permanent 2. Amendments to by-laws …Permanent

3. Admission Register with the list of share holders …Permanent
4. Day book …Permanent
5. Ledgers of deposits and other borrowings …Permanent
6. Reserve Fund ledger …Permanent
7. Audit certificate …Permanent
8. Property statement of members …Permanent
9. Investment account in other institutions …Permanent
10. Act and Rules …Permanent
11. Minutes book …Permanent
12. Share withdrawal register …Permanent
13. Register of immovable property of defaulters brought into auction …Permanent
14. Register of Fluid resources …Permanent
15. General ledger …Permanent
16. Investment Register …Permanent
17. General Information Register …Permanent
18. Register of bonus on purchase …Permanent
19. Register of inspection of affiliated societies …Permanent
20. Register of loan application from societies …Permanent
21. Register of delegates and delegation fees …Permanent
22. Register of asset and liabilities of affiliated societies …Permanent
23. Stock book of forms and furniture …Permanent
24. Acquittance Roll … 10 years
25. Receipt book … 10 years
26. Register of monthly receipts and disbursements … 5 years
27. Letter file … 5 years
28. Voucher file … 5 years
29. Price Fixation register … 5 years
30. Loan ledger … 10 years
31. Liability Register … 10 years
32. Register of closed loans … 5 years
33. Store-keeper's day book … 5 years
34. Purchase book … 5 years
35. Goods ledger … 5 years
36. Share application register … 3 years
37. Loan application register … 3 years
38. Letter book register … 3 years
39. Register of joint purchases … 3 years
40. Register of joint sales … 3 years
41. Register of application for arbitration and execution … 3 years
42. Dividend Register … 7 years
43. General Current Register … 3 years
44. Disposal Register … 3 years
45. Despatch Register … 3 years
46. Incidental charges register … 3 years
47. Register of issue to the salesmen … 7 years
48. Register of Establishment charges … 3 years
49. Supplies personal register … 3 years
50. Trade advance register … 5 years
51. Register of contingent charges … 3 years
52. Suspense account Register … 5 years
53. Sales chit … 2 years
54. Daily sales book … 2 years
55. Register of purchase made by members … 3 years
56. Register of condemned articles … 1 years

57. Deficit by dryage and wastage … 3 years

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58. Bond Register … 10 years 59. Nomination Register … Permanent 60. Rectification Register … 5 years 61. Register of declaration … 12 years 62. Register of lands cultivated by members … Permanent 63. Credit limit statement … 3 years

64. Any other records for such period as the Registrar may direct

16. **Certifying copies of entries in books**.— (1) For the purpose specified in sub-section (1) of section 50, a copy of any entry in a book of a society regularly kept in the course of business shall be certified—

(i) by the President or Secretary of the Society and by not less than two members of the committee; or

(ii) where an order has been passed under section 83 dissolving the committee and appointing a Special Officer or a managing committee, by the Special Officer or as the case may be, by not less than two members of the managing committee; or

(iii) where an order has been passed under sub-section (1) of section 127 appointing a liquidator of the society, by the liquidator.

(2) Every certified copy shall bear the seal of the society.

17. **Registrar may require statements and returns to be furnished**: —

(1) Every society shall prepare for each Co-operative year—

(a) a statement showing the receipts and disbursements for the year;

(b) a profit and loss account;

(c) a balance-sheet; and

(d) such other statement or return as may be specified by the Registrar from time to time.

(2) Every society shall submit to the Registrar annually within such time as he may direct, a copy of the statements specified in sub-rule (1).

(3) Without prejudice to sub-rule (1) every Distributive Society and every productive society and any other society if so required by the Registrar by general or special order, shall submit to him annually within such time as may be specified in that order, a statement of verification of the stock at the close of the preceeding co-operative year of articles in which the society transacts business.

(4) In case of failure by any society to submit any statement or return specified in sub rule (1) (2) or (3) within the time specified therein, the Registrar

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may depute an officer to prepare the necessary statement or return. In such cases, it shall be competent for the Registrar to determine, with reference to the time involved in the work and the emoluments of the officer deputed to do it, the charges which the society concerned shall pay to the Government and to direct its recovery from the society.

CHAPTER—IV

MEMBERS OF CO-OPERATIVE SOCIETIES AND THEIR RIGHTS AND LIABILITIES

18. **Rights and liabilities of members who are minors or of unsound mind**.—

(1) Agricultural Credit Societies, Productive Societies, Joint Farming Societies,

Marketing Societies and Distributive Societies shall be the classes of societies for the purpose of third proviso to sub-section (1) of section 20.

(2) The admission as member of any class of societies specified in sub-rule (1) of any minor or person of unsound mind and the dealings of any such society with him shall be only through the guardian:

Provided that a minor or a person of unsound mind admitted through his guardian to the membership of any class of societies mentioned in sub-rule (1) shall be eligible for all the rights except that of being elected as a member of the committee and the liabilities of membership except that where the legal guardian is already a member in his own right, he shall not be entitled to a second vote in any election or meeting of the society:

Provided further that a student above the age of twelve may be admitted directly as a member of a distributive society formed for the benefit of students.

+**[**19. **Restriction on the admission of associate members**. ─
(Puducherry State Co-op, Bank, Primary Agricultural Co-op. Banks, Farmers Service Credit Societies, Primary Agricultural Co-op. Credit Societies, Village Agricultural Co-op. Credit Societies) Non-agricultural Co-op. Credit Societies, Marketing Societies and Distributive Societies, shall be the classes of societies for the purpose of sub-section (1) of section 21**]**.

20. **Procedure for the expulsion of members**: ─

A member who has acted adversely, to the interest of the society may be expelled from the society as per section 24 adopting the following procedure: ─

+Substituted vide Notification published in Extra Gaztt Pt-II No.2 dated 31.01.2001.

(a) the committee of a society which decides to bring in a resolution for expelling a member shall send a registered notice to the member concerned to furnish his explanation. If any in the matter within 15 days from the date of receipt of the notice and the members shall also be given an opportunity for being heard in person, if he so desires;

(b) on obtaining the explanation, if any, and on being heard in person, if he so desires, the committee shall decide as to the course of action to be adopted against the member concerned. If the committee decides to expel the member it shall convene a general body meeting after issuing due notice appending the agenda thereto and place the matter before it for decision under section 24;

(c) expulsion from membership may involve forfeiture of shares held by the member.

21. **Payment to be made to acquire rights of a member**. ─ The payments to acquire right of membership shall include─

(1) admission fee;

(2) subscription to share capital;

(3) any other payments required to be made under the by-laws.

22. **Restrictions on defaulting member to vote at the election**.─ No member shall be eligible to vote at the meeting fixed for any election, if, on the date of thirty days prior to the date of such meeting─

(i) he is in default to the society ; or

(ii) he is a person against whom any decree, decision, award or order referred to in section 133 has been obtained and such decree, decision, award or order be subsisting.

23. **Restrictions on the defaulting members to represent in another society**.─

(1) No member shall be appointed to represent a society in any other society and vote if, on the date thirty days prior to the date fixed for a meeting for the conduct of any election relating to the society—

(i) he is in default to the society of which he is a member; or

(ii) he is a person against whom any decree, decision, award or order referred to in section 133 has been obtained and such decree, decision award or order be subsisting.

(2) Any member who has been appointed to represent a society in another society and vote, shall cease to hold his appointment as such, if he has committed

default to the society of which he is a member or if any decree, decision, award or order referred to in section 133 has been obtained against such member.

24. **Nomination of an heir**.—

(1) The nomination made for the purpose of section 29 shall be—

(a) in writing, signed by the member making it and attested by at least two witnesses each of whom has seen the member signing it and

(b) registered in the books of the society kept for the purpose.

(2) (i) Such nomination may be revoked at any time by the member making it and a fresh nomination made by him in accordance with sub-rule (1).

(ii) The sum representing the share or interest of a deceased member in the capital of a society shall, for the purpose of sub- section (1) of section 29, be the amount actually paid towards the value\ of the share or interest held by him.

25. **Conditions under which a society may refund share or interest of deceased member**. — (1) (i) Where a society which has individuals and other societies as its members decides with the approval of the Registrar that the continuance of the individual members is no longer necessary for the furtherance of its objects, the society may on the death of any individual member, by notice in writing require his nominee, heir or legal representative, as the case may be, to take back the value of the share or interest of deceased member in the capital of the society.

(ii) If the nominee, heir or legal representative fails to take payment of the share or interest due to the deceased member shall forthwith be credited to a suspense account and no dividend or interest shall accrue on such share or interest from the date of such credit.

(2) The value of the share or interest for the purposes of sub-rule (1) shall not exceed the amount actually paid by the deceased member in the society towards his share or interest.

26. **Shares not to be hypothecated to society**.— The shares of a society shall not be hypothecated to that society by its members as a security for loan.

27. **Membership in more than one society of the same class**.— (1) For the purpose of the clause (g) of sub-section (1) of section 22, land development banks and house mortgage societies shall be deemed to be separate classes. A person who is a member of a society of any class shall be admitted as member of another society of the same class only with the previous sanction in writing of the Registrar, such sanction may be accorded by the Registrar in relation to either any individual society of a class or any class of societies.

Explanation: In this rule—

"house mortgage society" means a society which has as its principal object the provision of long-term credit primarily on the mortgage of houses;

28. **Class of persons for the purpose of section 22 (3) (a)**. ―

(a) The class of persons for the purpose of clause (a) of sub-section (3) of section 22 shall be the members of the denotified tribes.

Explanation: The expression "denotified tribes" shall mean the tribes notified by the Government from time to time for the purpose of grant of scholarship by Government.

29. **Supply of copies of documents by societies and fees therefore**.―(1) A member of a society requiring a copy of any of the documents mentioned in sub-section (1) of section 26, may apply to the society for the same. Every such application shall be accompanied by a deposit of such amount as may be decided by the committee, for recovering the cost of preparing the copies according to the following scale, namely:

For every 200 words or less of running matter:

		Rs.P.	
English	. .	1.00	
Regional language	. .	1.00	For
every from and Statement	. .		

2.00 On the receipt of the deposit, the society shall issue a receipt for same.

(2) Where the copies are prepared, the amount due from the member according to the scale laid down in sub-rule (1) shall be retained by the society as copying fees and the surplus amount, if any, remaining out of the deposit shall be refunded to the members at the time of supplying copies. Where the amount deposited by the member is found to be insufficient to cover the copying fees, the member shall be called upon to pay the deficit before taking delivery of the copies.

(3) The copies shall be certified and signed as true copies by any person as specified in rule 16.

30. **Representative general body and its constitution and powers**.― (1) For the purpose of clause (c) of sub-section (1) of section 31-

(a) the area of operations of a society shall be the area comprised within more than one region; or

(b) the number of members of a society shall be 3,000.

(2) The representative general body shall consist of the members of the committee of the society and representative of members residing in such area or belonging to such class of members as may be specified in the by-laws, such representative being elected at a special meeting of such members.

(3) Notwithstanding anything containing in sub-rule (1) or (2). ―

(a) the area or class of members specified under clause (b) of sub-rule (2) shall be such that not more than 100 members reside in that area, or as the case may be, belong to that class;

(b) the total number of members of any representative general body shall not in any case exceed-

(i) 200, in case the total number of members of the society does not exceed 10,000; and

(ii) 400, in any other case.

CHAPTER–V
MANAGEMENT OF SOCIETIES

31. **Formation of constituencies and reservation for election of members of committee**.– (1) A primary society with a membership exceeding 500 shall provide in its by-laws for the division of its area of operations into suitable contituencies for the purpose of election of the members of the Committee and election shall be at the general body meeting of the society, the members of each constituency voting separately for the election of the member or members of the committee allotted to that constituency.

(2) An agricultural credit society with a membership not exceeding 500, shall reserve two seats on its committee, for being filled by representatives of the members of the society belonging to the weaker sections, namely, members of the society who own less than two standard acres of land or who are tenant cultivators or landless agricultural labourers.

(3) (a) An agricultural credit society with membership not exceeding 500, shall determine the constituencies in such a manner that two of them are double-member constituencies and the rest are single member constituencies.

(b) One of the members of the Committee from each double-member constituency shall be elected from among members of the society belonging to the weaker sections defined in sub-rule (2).

(4) On the committee of a society, which is an urban bank, or a consumer stores or a milk supply society, or a milk supply union, there shall be not less

than two women members. In case no woman or only one woman is elected as a member of the committee of any of these societies, the elected members of the committee shall co-opt two women or, as the case may be, one woman from among the members of the society to the membership of the committee.

32. **Election of members of committee by the general body**.– (1) The election of the members of Committee of every society belonging to the following classes shall be conducted in the manner specified in this rule;

(i) Apex societies;
(ii) Central societies;
(iii) any other society or class of societies which the Registrar may from time to time specify in this behalf.

(2) The election shall be held at a general meeting of the society or at a meeting of the members residing in such area or belonging to such class of members by whom the members are to be elected, as may be specified in the by-laws specially convened for the purpose of which not less than twenty-one clear days' notice shall be given to the members. The President or in his absence, any other person presiding over the meeting (both being hereinafter in this rule referred to as the Presiding Officer) shall commence and conduct the election notwithstanding that the quorum specified in the by-laws is not present:

Provided that no person seeking election shall act as the presiding officer and any other officer of the society not seeking election shall be chosen as the presiding officer by the committee of the society.

(3) (i) The notice of the general meeting shall be sent to the member by one or more of the following modes, namely:

(a) by local delivery;
(b) by post;

(c) by circulation among the members; or

(d) by publication through Press.

Notice of the general meeting shall also be affixed to the notice board of the society and published in such public places of importance as may be decided by the committee of the society.

(ii) The notice shall contain information regarding—

(a) the number of vacancies to be filled up by election;

(b) any area or constituency that is specified in the by-laws from which the members are to be elected;

(c) the qualification, if any, prescribed in the by-laws for eligibility for membership of the committee.

(d) the date on which, the place at which and the hours between nomination papers shall be filed by members, such date being not less than seven clear days before the date fixed for election; or if that day is a public holiday the next succeeding day which is not a public holiday.

Explanation: In this clause "public holiday" means any day which is a public holiday for the purpose of section 25 of the Negotiable instruments Act, 1881 (Central Act XXVI of 1881) or any day which has been notified by the Government to be a holiday for the Government offices in the Union Territory.

(c) the date on which and the hour when the nomination papers will be scrutinized and

(f) the date on which, the place at which and the hours between which the polling will take place.

(4) In respect of each area or constituency, the committee shall prepare a list it stood on the date thirty days prior to the date fixed for the poll, of members who are qualified in accordance with the provisions of the Act, these rules and the by-laws to vote at the election and publish copies of the list by affixing them to the notice-board at the head office of the society and all its branches not less than fifteen days prior to the date fixed for election, inviting objections, if any, in the matter within three days of publication. After considering the objections, if any, the committee shall publish a final list of eligible voters on the notice-board at the head office of the society and all its branches, if any not less than ten days prior to the date fixed for the poll. The list shall specify the admission number and the name of the eligible member, the name of the father or husband and the address of such member. In the case of societies which are members, the list shall specify the names of the delegates by whom the societies are represented. A copy of the list shall be supplied by the society to any member on payment of such fee as may be specified by the Committee.

Form No. 4, The Form shall, on application, be supplied to any members free of cost by the society.

(ii) every nomination paper shall be signed by two members whose names are included in the list referred to in sub-rule (4). One of the members shall sign the form as proposer and the other as seconder for the nomination. The

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nomination paper shall also contain a declaration signed by the candidate proposed for election to the effect that he is willing to stand for election.

(iii) every nomination paper shall be presented in person to the president of the society or any other officer duly authorised in this behalf by the committee of such society by the candidate himself or by his proposer or seconder, before the date and the hour specified in the notice referred to in sub-rule (3). If the president himself is a candidate for election, the committee of the society shall authorise some other officer who is not a candidate for election to receive the nomination papers.

(iv) the person who receives the nomination paper shall enter on the nomination paper its serial number and certify the date and hour at which the nomination paper is received by him and also immediately acknowledge receipt of the nomination paper.

(v) no nomination of a member as a candidate for election shall be valid, if his name is not included in the list referred to in sub-rule (4).

(6) (i) (a) On the day following the date fixed for the receipt of nomination papers, the committee of the society shall take up the scrutiny of nomination papers at a special meeting convened for the purpose notwithstanding that the quorum specified in the by-laws for a meeting is not present. No member of the committee whose name has been proposed for election shall attend or participate in such meeting in his capacity as a member of the committee.

Provided that a member whose name has been proposed for election, his propose and his seconder may be present at the time of scrutiny.

(b) the committee shall examine the nomination papers and shall decide all objections which may be made at the time to any nomination and may either on such objection or on its own motion after such summary enquiry, if any, as the committee thinks, necessary, reject any nomination for valid reasons:

Provided that the nomination of a candidate shall not be rejected merely on the ground of an incorrect description of his name or of the name of his proposer or seconder, or of any other particulars relating to the candidate or his proposer or seconder, as entered in the list of members referred to in sub-rule (4), if the identity of the candidate, proposer or seconder as the case may be, is established beyond reasonable doubt.

(ii) the committee shall give all reasonable facilities to the contesting candidates or their representatives to examine all the nomination papers and satisfy themselves that the inclusion of the contesting candidates is valid.

(iii) the committee shall endorse on each nomination paper its decision, accepting or rejecting the same and if the nomination paper is

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rejected shall record in writing a brief statement of its reasons for such rejection.

(7) The list of valid nominations as decided by the committee shall be published on the notice-board of the society indicating therein the names of the candidates arranged in

English alphabetical order as given in the nomination papers, on the same day on which the scrutiny of the nomination papers is completed.

(8) Any candidate may withdraw his candidature by notice in writing signed by him and delivered at any time after the presentation of his nomination paper but before 5 p.m. on the day following the day on which valid nominations are published under sub-rule (7) to the president of the society or any other officer authorised for the purpose under clause (iii) of sub-rule (5), either by such candidate in person or by his proposer or seconder. A notice of withdrawal of candidature once given shall be final.

(9) If for any area or constituency for which election is to be held, the number of candidates in respect of whom valid nomination papers have been filed does not exceed the number of candidates to be elected for the area or consitutency, the candidates for the whom valid nominations have been received shall be deemed to have been duly elected for the area or constituency as the case may be. The special general meeting convened for the purpose of election for the area or constituency concerned shall be cancelled. The names of such candidates and the cancellation of the special general meeting shall be announced by the presiding officer by publishing in the notice-board of the society on the same day and by one or more of the modes prescribed in clause (1) of sub-rule (3) within seven days.

(10) If the number of candidates for any area or constituency exceeds the number to be elected, the committee shall arrange for taking a poll on the date fixed for the purpose. The committee may appoint one or more polling officers as may be necessary.

(11) The committee shall provide the polling officer with the ballot boxes, ballot papers, copy of the list of members referred in sub-rule (4) and such other articles as may be necessary for the conduct of the election. The ballot box shall be so constructed that ballot papers can be introduced therein but cannot be taken out therefrom without the box being unlocked.

(12) A candidate contesting the election may, by a letter to the presiding officer, appoint an agent to represent him at every booth where polling is held. Such letter shall contain the consent in writing of the agent concerned.

(13) Immediately before the commencement of the poll, the presiding officer shall show the empty ballot box to such persons as may be present at the time and shall then lock it up and place his seal upon it in such manner as to

prevent its being opened without breaking the seal. The candidate or his agent may also affix his own seal, if he so desires.

(14) The ballot papers shall contain the names of the contesting candidate arranged in English alphabetical order either printed, type-written or cyclostyled and the seal of the society.

(15) Each polling station and where there is more than one polling booth at a station each such booth shall contain a separate compartment in which the members can record their votes screened from observation.

(16) No ballot paper shall be issued to a member the polling officer is satisfied that the member concerned is the same person as noted in the list furnished to hi, when a ballot paper is issued the serial number of the ballot paper issued will be noted against the name of the member as in the voters list.

(17) On receiving the ballot paper, a member shall forthwith proceed into the polling compartment, make the mark X on the ballot paper against the name or names of the

candidate or candidates for whom he desires to vote and put the ballot paper in the ballot box with the utmost secrecy.

(18) If owing to blindness or other physical infirmity or illiteracy, a member is unable to mark the ballot paper the Polling Officer shall ascertain from him the candidate or candidates in whose favour he desires to vote, make the mark on his behalf and put the ballot paper in the ballot box.

(19) If at any stage of the polling, the proceedings are interrupted or obstructed by any riot or affray of if at such election it is not possible to take the poll for any sufficient cause, the polling officer shall have the power to stop the polling, recording his reasons for such an action in the minute book of the society.

(20) No voter shall be admitted after the hours fixed for the poll; but a voter who enters the premises where ballot papers are being issued before the close of the polling hour shall be issued the ballot paper and allowed to vote.

(21) The counting of votes shall commence immediately after the polling is completed. Votes shall be counted by or under the supervision of the presiding officer. Each candidate and his authorised agent shall have a right to be present at the time of counting.

(22) (i) A ballot paper shall be rejected─

(a) if it bears any mark by which the member who voted can be identified; or

(b) if it does not bear the seal of the society and the signature of the Presiding Officer or the person duly authorised by him; or

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(c) if the mark indicating the vote theron is placed in such manner as to make it doubtful to which candidate the vote has been cast.

(ii) the authority competent to reject a ballot paper shall be the presiding officer.

(23) (i) The number of votes secured by each candidate and the results of the election shall be announced by the presiding officer as soon as the counting is over.

(ii) The results of the elections shall also be recorded in the minutes book of the society and attested by the presiding officer.

(24) The President of the society shall take custody of all the ballot papers and shall preserve them for three months from the date of poll. The ballot papers and other records relating to the election shall be secured in a container which shall be affixed with the seal of the society and of the candidates who desires to affix their seals. The ballot papers shall be destroyed after the said period of three months, if no dispute relating to or in connection with that election is referred to the Registrar.

(25) The Registrar may, in respect of any society, either on his own motion or on application from such society, appoint any person as election officer to conduct the election if in his opinion, such a course if necessary for the proper conduct of election. Where an election officer is so appointed, all references to the president, presiding officer or the committee as the case may be, occurring in sub-rules (5) (iii), (6), (7), (8), (9), (10), (19), (22) (ii) and (23) shall be construed as references to the election officer.

(26) The Registrar may, in respect of any society registered after the commencement of this Act where a committee has not been appointed under sub-section (1) of section 32, appoint any person as an election officer to conduct the election for the constitution of a committee in accordance with the by-laws. Where an election officer is so appointed, all references to the president, presiding officer or the committee, as the case may be, occurring in this rule except in sub-rules (24) and (25) shall be construed as references to the election

officer. The election officer shall in such cases record the results of the election in the minutes book of the society and attest the same.

(27) In such case where the Registrar considers it necessary, he may depute an observer to be present at the election of any society and to submit a report to him on the conduct of the election.

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33. **Election of members of the committee by the general body of a society not falling under rule 32.—**

(1) The election of members of the committee of a society not falling under rule 32 shall be conducted in the manner specified in this rule.

(2) The election shall be held at a general meeting of the society specially convened for the purpose of which not less than seven clear days' notice shall be given to the members. The President or in his absence, any other person presiding over the meeting (both herein after in this rule referred to as the "presiding officer"), shall commence and conduct the election after satisfying himself that, for the commencement" of the general meeting there shall be the quorum specified in the by-laws:

Provided that no person seeking election shall act as the presiding officer and any other officer of the society not seeking election shall be chosen as the presiding officer by the general body of the members of the society.

(3). (i) The notice of the general meeting shall be sent to the members by one or more of the modes specified in clause (i) of sub-rule (3) of rule 32.

(ii) The notice shall contain information regarding—

(a) the number of vacancies to be filled up by election;

(b) the area or the constituency, if any, from which the members are to be elected; and

(c) the date on which, the place at which and the hours between which the polling will take place.

(4). In respect of each area or constituency, the committee shall prepare a list as it stood on the date thirty days prior to the date fixed for the poll, of members who are qualified in accordance with the provisions of the Act, these rules and the by-laws to vote at the election and publish copies of the list by affixing them to the Notice Board at the office of the society not less than three days prior to the date fixed for election, inviting objections, if any, in the matter immediately on the succeeding day of the publication of notice. After considering the objections, if any, the committee shall publish a final list on the same day itself. The list shall specify the admission number and name of the eligible member, the name of the father or husband and the address of such member.

(5). No member shall be nominated as a candidate for election to fill a seat in the committee if his name is not included in the list referred to in sub-rule (4).

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(6) The nomination of candidates for election shall be made at the meeting. The presiding officer shall decide the objections, if any, which may be made at the time, to any nomination after making such summary enquiry as he thinks necessary and announce the name or names of the eligible candidate or candidates nominated.

(7) If for any area or constituency for which election is to be held, the number of candidates in respect of whom valid nominations have been made does not exceed the number of candidates to be elected for that area or constituency, the candidates for whom valid

nominations have been made shall be deemed to have been elected for the area or constituency as the case may be and the presiding officer at the meeting shall make a declaration to that effect.

(8) If the number of candidates for any area or constituency exceeds the number of candidates to be elected, the presiding officer shall arrange for taking poll on the same day, or on the succeeding day as specified in the meeting notice. The presiding officer may appoint one or more polling officers as may be necessary.

(9) The committee shall provide the presiding officer with ballot papers and such other articles as may be necessary for the conduct of the election.

(10) The ballot papers shall contain the names of the candidates arranged in English alphabetical order and the seal of the society.

(11) The polling booth shall be so constructed that the members can record their votes screened from observation by others.

(12) The member shall make the mark X on the ballot paper issued to him against the name or names of the candidate or candidates for whom he desires to vote and put the ballot paper in the ballot box with utmost secrecy.

(13) If, owing to blindness or other physical infirmity or illiteracy, a member is unable to mark the ballot paper, the presiding officer shall ascertain from him the candidate' or candidates in whose favour he desires to vote and make the mark on his behalf on the ballot paper.

(14) As soon as all the members present have recorded their votes, the presiding officer shall count the votes and announce the results of election with the number of votes secured by each.

(15) If at any stage of the polling, the proceedings are interrupted or obstructed by any riot or affray or if at such election it is not possible to take the poll for any sufficient cause, the presiding officer shall have the power to stop the polling recording his reasons for such an action in the minutes book of the society.

(16) No voter shall be admitted after the hours fixed for the poll; but a voter who enters the premises where ballot papers are being issued before the close of the polling hour shall be issued the ballot paper and allowed to vote.

(17) (i) A ballot paper shall be rejected—

(a) if it bears any mark by which the member, who voted can by identified; or

(b) if it does not bear the seal of the society and signature of the Presiding officer or

(c) if the mark indicating the vote therein is placed in such manner as to make it doubtful to which candidate the vote has been cast.

(ii) The authority competent to reject a ballot paper shall be the presiding officer.

(18) The proceedings of the meeting with the results of the election shall be recorded in the minutes book of the society and attested by the presiding officer.

(19) The President of the society shall take custody of the ballot papers and shall preserve them for three months from the date of poll. The ballot papers and other records relating to the election shall be secured in a container which shall be affixed with the seal of the society and of the candidates who desire to affix their seals. They shall be destroyed after the said period of three months, if no dispute relating to or in connection with the election is referred to the Registrar.

(20) The Registrar may, in respect of any society, either on his own motion or on an application from such society, appoint any person as an election officer to conduct the election if, in his opinion, such a course is necessary for the proper conduct of the election. Where an election officer is so appointed, all references to the President, presiding officer or the committee, as the case may be, occurring in sub-rules (6), (7), (8), (14), (17) (ii) and (18) shall be construed as references to the election officer.

(21) The Registrar may, in respect of any society registered after the commencement of the Act where a committee has not been appointed under the first proviso to sub-section (1) of section 32, appoint any person as an election officer to conduct the election for the constitution of a committee in accordance with the by-laws. Where an election officer is so appointed, all references to the President, Presiding Officer or the Committee as the case may, occurring in this rule except in sub-rules 19 and 20 shall be, construed as references to the election

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officer. The election officer shall in such cases record the results of the election in the minutes book of the society and attest the same.

34. **Election of President, Vice President, etc., by the members of the committee**.—

(1) The election of President, Vice President, treasurer or any other by whatever name he is designated shall be by ballot in the manner specified in this rule.

(2) As soon as the members of the committee have been elected the president of the society shall arrange to convene a meeting of the member of the committee for the purpose of election of the officer.

(3) The meeting shall be presided over by the President of the society, if he is not a candidate for election or any other member not being a candidate for election chosen by the committee (both being herein after in this rule referred to as the presiding officer) for the purpose.

(4) The nomination papers shall be presented to the presiding officer at the meeting, in the form prescribed in sub-Rule (5) of rule 32. The Presiding Officer shall decide the objections, if any, which may be made at the time, to any nomination after making such summary enquiry as he thinks necessary and announce the name or names of the eligible candidate or candidates.

(5) Where there is not more than one valid nomination for any office, the presiding officer shall declare the candidate in respect of whom the nomination paper has been received duly elected to such office.

(6) Where there is more than one valid nomination for any office, the presiding officer shall forthwith arrange for taking a poll by providing the ballot papers and ballot box. The member shall make the mark X in the ballot paper against the name or names of the candidate or candidates for whom he desires to vote and put the ballot paper into the ballot box with the utmost secrecy.

(7) As soon as all the members present have recorded their votes, the presiding officer, shall open the ballot box in the presence of the members, count the votes and announce the results of election with the number of votes secured by each.

(8) The proceedings of the meeting with the results of the election shall be recorded in the minutes book of the society and attested by the presiding officer.

(9) The ballot papers and other records shall be secured in a container which shall be affixed with the seal of the society and of the candidates who desire to affix their seals and they shall be preserved for the three months from

the date of election. They shall be destroyed after that period, if no dispute relating to or in connection with the election is referred to the Registrar.

(10) The term of office of the President, Vice-President etc., shall coincide with the term of the committee of the society.

35. **Amalgamation, transfer of assets and liabilities or division of societies**.—

(1) Every society desiring to effect amalgamation, transfer of assets and liabilities or division shall make an application to the Registrar in that behalf, giving full details about such amalgamation, transfer or division, as the case may be. Such application shall be supported by a resolution of the General Body passed at a meeting specially called for the purpose of which at least seven clear days notice shall be given to its members. The proposed by-laws of the amalgamated society or the new societies shall also be annexed to the application.

(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 or division, if he considers such amalgamation, transfer or division, as the case may be, to be in the interest of the society.

(3) After the receipt of Registrar's approval under sub-rule (2), the society shall convene a special general meeting by giving notice of at least 15 clear days to all its members and creditors and pass a resolution for amalgamation, transfer of assets and liabilities or division, as the case may be, by two-thirds 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 or division would be useful to the society and be given effect to. Where the scheme does not involve transfer of 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 5 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 atleast one newspaper in circulation in the region in which the society's office is situated and a copy thereof shall be exhibited on the notice-board in the society's and Registrar's office.

Provided that, the Registrar may, in the case of any society, dispense with the giving of such notice, regard being had to the extent of liabilities, the financial position of the society and its members and other relevant factors pertaining to such society.

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(4) Within one month 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 the society's liabilities may exercise their option as required by clause (i) of the proviso to sub-section (1) of section 14 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 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 or division by registering the amalgamated or the new society, as the case may be, and canceling the registration of the societies which have been amalgamated or divided.

(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 or divided societies and the by-laws there of and cancel the registration of the societies which have been amalgamated or divided.

36. **Re-construction of a society**.—

(1) An application for re-construction of a society under section 16 may be made in Form 6. On receipt of such application the Registrar may, taking into consideration the compromise or arrangement for reconstruction of 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 manner in which the by-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 Registrar's office inviting objections and suggestions from all those interested within a specified time, which shall not exceed one month.

(2) After taking into consideration the objections and suggestions (if any) received, the Registrar may issue an order approving such reconstruction or staying further proceedings in respect of such reconstruction. On issue of an

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order approving the reconstruction, the society shall stand reconstructed and the by-laws of the society shall be modified to that effect and to that extent.

37. **Procedure for direction by Registrar for amalgamation**: —

(1) Where in the opinion of the Registrar any amalgamation of the societies is necessary, he shall prepare a draft scheme to give effect to such amalgamation.

(2) The scheme shall specify in particular—

(a) the manner in which the assets and liabilities of the society or societies proposed for amalgamation is to be dealt with;

(b) the composition and strength of the new committee or committees of the society or societies in respect of which such amalgamation is effected; and

(c) the proposed by-laws of the new society or societies.

(3) The registrar shall send a copy of the scheme referred to in sub-rule (2) to the financing bank for its views within such time as may be specified by him.

(4) The Registrar shall consider the views, if any, received form the financing bank and shall issue a notice to the committee or committees of the society or societies, together with a copy of the scheme referred to in sub-rule (2) calling upon it or them to amalgamate within thirty days from the date of receipt of the notice.

(5) If the committee or committees of such society or societies fail to comply with the direction of the Registrar within the period specified in sub-rule (4), the Registrar or the person authorised by him in this behalf shall issue a notice in writing to the committee, members and creditors of the said society or societies, to make their representations, if any, in regard to the proposal within thirty days from the date of receipt of such notice.

(6) The Registrar shall consider the representation, if any, received and if the committee of the society or societies or any member or creditor desires to be heard in person, the Registrar shall give an opportunity of being heard. The Registrar shall thereafter, make such modifications in the draft scheme as may appear to him desirable and issue a final order directing the amalgamation and issue the necessary certificate of registration. Such certificate of registration shall have the same effect as if it was issued under section 9.

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38. **Constitution and strength of committee of financing bank**. — The proportion of individual members to society members on the committee of a financing bank shall not exceed the ratio of 1:4. Subject to this limit, the Registrar may, at his discretion prescribe the specific proportion for each individual society.

39. **Election and term of office of delegate of a society**. —

+**[** (1) A delegate may be elected by a society to represent it on the general body of another society of which it is a member. The delegate shall be elected at a meeting of the committee of the member society. He shall cease to be a delegate. —

(a) if he resigns;

(b) if he is withdrawn by the committee;

(c) if an administrator or administrators is or are appointed under section 33;

(d) if the committee is dissolved under section 83;

Provided that the person or persons appointed under section 83 or 33 shall have power to nominate himself or one among them as a delegate to the other society;

(e) on the cancellation of the registration of the society represented by him;

(f) if he incurs any disqualification mentioned in the Act, these rules and the bye-laws;

(g) if the delegate ceases to be a member of the society which sent him as a delegate ; or

(h) if the term of the committee of the society which elected him as a delegate expires.

(2) Notwithstanding anything contained in sub-rule (1), the President of a Primary Co-operative Milk Producers' Society shall be the delegate to represent it on the general body of the Puducherry Co-operative Milk Producers' Union of which it is a member**]**.

40**. Term of office of member of committee who is a delegate of another society**. ─

A delegate of one society who is a member of the committee of another society shall cease to be a member of such committee─

(a) if the society which elected him as a delegate withdraws him or appoints another delegate in his seat; or

***[** (b) if an administrator or administrators is or are appointed under section 33 to the society which elected him as delegate; or**]**

(c) if the committee which elected him as a delegate is dissolved under section 83; or

+Substituted vide Notification published in Extra Gaztt Pt-II No.3 dated 17.01.2002. * Inserted vide Notification published in Extra Gaztt Pt-II No.7 dated 06.03.2007.

(d) if the registration of the society of which he is the delegate is cancelled; or

(e) if the incurs any disqualification mentioned in Rule 23; or

(f) if the society which sends him as delegate is in default to the society in the committee of which he sits as a delegate.

41.**Extension of the term of office of members of committee by Registrar**.─

(1) The election of the members of the committee shall be held within ninety days immediately preceding the date of the expiry of the term of office of the members and notice of the general meeting at which such election is to be held shall not be issued earlier than the said period of ninety days. The election shall be completed not less than **[**seven***]** days before the date of expiry.

(2) The period for which the Registrar may extend the term of office of the members of the committee under clause (b) of sub-section (5) of section 32 shall not exceed three months at anyone time or six months in the aggregate.

42. **Remuneration payable to new committee, administrator or administrators appointed by the Registrar**:─

The committee or Administrator or Administrators appointed under section 33 shall be eligible for remuneration at the rates fixed by the Registrar and the expenses thereof shall be borne by the society or societies concerned.

43. **Class of contracts, sales, purchases or transactions not to apply for disqualification of membership of committee**. ─

For the purpose of the proviso to clause (d) of sub-section (1) of section 34, the clause shall not apply to a contract, sale, purchase or transaction which is in pursuance of, or in relation to a service rendered or to be rendered by a society to its members in accordance with its by-laws and is in furtherance of the principal object of the society.

44. **Near relations of employees disqualified for appointment as members of a committee**. ─

The near relations shall, for the purpose of clause (a) of sub-section (1) of section 34, be the following namely: ─

1. Father.
2. Mother(including step-mother).
3. Son(including step-son)
4. Son's wife.

* Vide Corrigendum G.O.Ms. No.45 dated 03.05.1975.

5. Daughter (including step-daughter).
6. Father's father.
7. Mother's mother.
8. Father's mother.
9. Mother's father.
10. Son's son.
11. Son's son's wife.
12. Son's daughter.
13. Son's daughter's husband.
14. Daughter's husband.
15. Daughter's son.
16. Daughter's son's wife.
17. Daughter's daughter.
18. Daughter's daughter's husband.
19. Brother (including step-brother).
20. Brother's wife.
21. Sister (including step-sister).
22. Sister's husband.
23. Husband's father.
24. Husband's mother.
25. Husband's sister.
26. Wife's father.
27. Wife's mother.
28. Wife's brother.
29. Wife's sister.
30. Wife's sister's husband.
31. Father's brother.
32. Father's sister.
33. Mother's brother.
34. Mother's sister.
35. Father's brother's wife.
36. Father's sister's husband.
37. Mother's brother's wife.
38. Mother's sister's husband.
39. Brother's son.
40. Brother's son's wife.
41 Brother's daughter.
42. Sister's son.
43. Sister's daughter.
44. Father's brother's son.
45. Father's sister's daughter.

46. Father's sister's son.

47. Father's sister's daughter.

48. Mother's brother's son.

49. Mother's brother's daughter.

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45. **Procedure for deciding question regarding disqualifications under section 34(9). ―**

Before deciding any question under sub-section (9) of section 34, the Registrar shall give the member an opportunity to state his objections, if any, in the matter.

46. **Power of the Registrar to take suo-moto action for the removal of a member of the committee of a society**.―

(1) The Registrar may, by order in writing, direct the removal of a member of the committee from such membership if, in the opinion of the Registrar, such member is or has become disqualified to continue as a member thereof under section 34:

Provided that no member of the committee shall be removed from such membership under this sub-rule without such member and the committee of which he is a member being given an opportunity of making his or its representations.

(2) On the issue of an order under sub-rule (1), the member concerned shall cease to be a member of the committee.

47. **Payment of travelling allowance, daily allowance and sitting fees to the members of societies and of the committee**. ―

(1) Members of one society attending the general meeting of another society may be paid travelling allowance to and fro, from their usual place of residence and the daily allowance by the former society, but they shall not be given any sitting fees

(2) Members of the committee may be paid by the society travelling allowance to and fro from their usual place of residence as well as daily allowance or sitting fees for attending the meetings of the committee.

(3) Members of the committee proceeding on tour on the business of the society may be paid travelling allowance and daily allowance in respect of such tours by the society.

(4) No member of a society or the committee of any society shall, if he has claimed or drawn such allowances from the society which he represents, draw any travelling allowance in respect of any journey made to attend any meeting of another society, form the other society or from any other society, whose meetings also he attended on account of the same journey. If however, a member of the committee or a general body is detained at the head quarters of the society for a period not exceeding seven days, in order to attend a meeting of the general body or the committee of another society, that other society shall pay daily allowance to that member for the number of days he is so detained. The daily allowance claimed shall be limited to the travelling allowance admissible for the journey.

(5) The Registrar shall specify the maximum rates of travelling allowances and daily allowances or sitting fees for any society or class of societies and also the form of bill in which the claim for travelling allowance shall be preferred and committee of each society may fix the rate with reference to its financial resources and with the approval of the Registrar.

CHAPTER – VI

PROPERTIES AND FUNDS OF THE SOCIETIES

48. **Restriction on borrowings by societies**.― No society receive deposits and loans

from persons who are not its members, if the aggregate amount of all deposits and loans received by it from its members and other exceeds such limit as the Registrar may, from time to time, specify in this behalf in respect of that society or any class of societies to which that society belongs.

49. **Restriction on grant of loans**.—

(1) No financing bank or credit society other than an agricultural credit or a land development bank or a society the object of which is to grant long-term loans exclusively on the mortgage of immovable properties shall grant loans for periods exceeding three years:

Provided that the Registrar, may as a recognition of good management, permit by a special order in writing any such financing bank or credit society to grant loans for periods exceeding three years but not exceeding five years for any of the following objects, namely: —

(a) Purchase of cattle and carts;

(b) construction, buying or repairing of dwelling houses or cattle sheds or other buildings;

(c) expenses on account of-

(i) purchase of land;

(ii) improvements to or the leveling, reclamation, draining or occasional heavy manuring of land;

(iii) construction of or major repairs to irrigation sources such as private tanks, wells and channels; (iv) purchase of pump-sets and construction of pump sheds; (v) adopting improved methods of cultivation;

(d) liquidation of petty debts;

(e) development of cottage industries;

(f) payment of obligatory expenses on a sale appropriate to the loanees which by customary usage they have to incur in connection with their marriages

or other ceremonies or in connection with marriages, funerals or other ceremonies of dependents; and

(g) such other purposes as may be specified by the Registrar.

"Provided further that, notwithstanding anything contained in this sub-rule, that financing bank, namely "The Puducherry State Co-operative Bank Limited No. P. 78" may extend long-term financial assistance, under "Housing Finance Scheme", to "The Puducherry State Co-operative Housing Federation Limited No. P. 468" only, repayable within a period of fifteen years."

(2) The Registrar shall have power to fix by general or special order in writing, the amount of the maximum lending limit of a financing bank or a credit society, other than an agricultural credit society or a land mortgage bank or a society, the object of which is to grant long-term loans exclusively on the mortgage of immovable properties, which may be made available for the grant of short-term loans and loans repayable after one year but within three years or five years, as the case may be, from the date of grant of loans:

Provided that the total amount of loans granted under the proviso to sub-rule (1) shall not exceed 50 per cent of the total amount of loans permissible under this sub-rule for periods exceeding one year but not exceeding five years.

(3) No agricultural credit society shall grant loans for periods exceeding five years.

(4) In this rule, the term "short-term loans" means loans repayable from the sale proceeds of the next harvest as soon as they are realized or within one year from the date of the grant of the loan whichever period is longer.

50. **Investment of funds**.— A society may, with the previous sanction in writing of the registrar, invest the whole or any portion of its funds in the purchase or lease of land or in the purchase, construction or remodelling of any building that may be necessary to conduct its business. The amount of the funds so invested shall be recouped on such terms as may be determined in each case by the Registrar:

Provided that this rule shall not apply—

(a) to immovable property purchase—

(i) by a society at a sale held in execution of a decree, decision or award obtained by it, for the recovery of any sum due to it:

(ii) by a financing bank at a sale held in execution of a decree, decision or award obtained by a society, financed by it for the recovery of

any sum due to such society or at a sale by or on behalf of liquidator of such society;

(b) to the purchase or lease of lands or purchase, construction or remodelling of building of a society, whose objects according to its by-laws includes such purchase, lease, construction or remodelling; or

(c) to the investment of the reserve fund of a society and such investment shall be governed by rule 53:

Provided further that, no recoupment of the amount invested under this rule shall be necessary when the investment is made-

(a) by a society from its building fund constituted out of profits; or

(b) by a society other than a credit society in which the share capital raised from the members is intended to build up the special kind of business for which it has been registered.

51. **Maintenance of fluid resources by societies**.— Every society shall maintain fluid resources in respect of such kinds of deposits and loans and in such form according to such standard as may be specified by the Government from time to time by general or special order.

52. **Distribution of net profits**.— The net profits of any society as declared by the Registrar in respect of any co-operative year shall be appropriated in the manner setforth in section 71 subject to the following conditions, namely: —

(1) In a society with shares and limited liability, not less than one-fourth of the net profits shall be carried to the reserve funds. In a society shares and unlimited liability, not less than one-third of the net profits shall be carried to the reserve fund until total of the reserve fund and other reserves of the society equals the paid-up share capital of the members held by it and thereafter not less than one-fourth of the net profits shall be so carried.

(2) (i) Every society shall set apart a sum calculated at two per cent of its net profits subject to a maximum of Rs. 25,000 for contribution to the co-operative education fund.

The sum so allocated shall be remitted to the Puducherry State Co-operative Union within two months of the date of allocation of its net profits by the general body.

(ii) The fund shall be maintained and administered by the Puducherry State Co-operative Union. It shall be utilised for the furtherance of co-operative education including propaganda as contemplated in the by-laws of the Union.

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(iii) No part of the Co-operative education fund shall be spent by the Puducherry State Co-operative Union except in accordance with the by laws of the Union and the general directions that may be issued by the Registrar from time to time.

(iv) The puducherry State Co-operative Union shall maintain a separate account for the fund in accordance with the regulation to be framed by the union with the approval of the Registrar.

(3) (a) Every society which does not pay a charge for its audit to the Government according to the scale of audit fees prescribed or which does not have its accounts audited at its own expenses shall next set apart 10 per cent of its net profit to an audit fund;

(b) every agricultural credit society shall set apart 10 per cent of its net profit towards an agricultural credit stabilisation fund and every financing ban including the Central Land Development Bank shall similarly set apart 15 per cent of its net profits towards the above fund. This fund is to be utilised to enable borrowers to make postponement of repayment of loans on account of famine, drought or such other unforeseen cause and it shall not be utilised except with the previous permission of the Registrar and on such other conditions if any specified by the Registrar.

(c) (i) every primary society shall set apart towards a dividend fund not less than 33 1/3 per cent of its net profit.

Dividend shall be paid only from this fund at such rates as may be fixed by the general body in respect of each year. It shall be paid annually unless the rate works out to less than 3 per cent on shares. In any case dividend shall be paid at least once in three years out of the amount to the credit of the fund.

(ii) the payment of dividend on shares to members by a society shall not exceed nine per cent annum on the paid-up value or each share.

(4) A society other than a credit society such as a co-operative stores, a weavers' society, a milk supply society, a marketing society, a labour contract society, a motor transport society and a co-operative workshop may pay, in accordance with its by-laws bonus to its members, based on the extent of business done by these members, with it or on the value of the services rendered by such members to the society, subject to a maximum of 25 per cent of the net profits:

Provided that ─

(i) a co-operative society shall not utilise any portion of the bonus accruing on the business done by non-members for payment of bonus to

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members but shall carry the entire amount so accrued to the reserve fund or business losses reserve;

(ii) a co-operative motor transport society for ex-servicemen shall not pay as bonus to its members-employees in any year an amount exceeding three month's wages or salary; and

(iii) it shall be competent for a co-operative motor transport society for ex-servicemen to carry any balance that may remain out of the 25 per cent of net profits after having distributed bonus in a year towards a bonus equalisation fund to be drawn upon as provided for in its by-laws.

(5) A society which employs paid establishment may pay bonus to such employees: Provided that the amount so paid shall not exceed such amount as may be specified in its by-laws subject to a maximum of three months basic pay; or Rs. 900 whichever is less.

(6) Subject to the availability of funds, such sum as may be decided upon by the general body calculated at 10 per cent of the net profits may be carried to a common good fund for being utilised on any of the objects specified in section 2 of the Charitable Endowments Act, 1890 (Central Act VI of 1890) such as medical relief, sanitation, co-operative propaganda, maintenance of library, education and relief to poor.

53. **Reserve fund**.—

(1) A society shall not invest or deposit its reserve fund except in one or more of the modes mentioned in clauses (a), (b), (c) and (d) of section 68:

Provided that when the reserve fund of a society exceeds 20 per cent of its working capital, the excess may, with the sanction of the Registrar, be utilised in the business of the society:

Provided further that a society not being a credit society may with the sanction of the Registrar, utilise the whole of its reserve fund in its business:

Provided also that when a society is prohibited by its by-laws from borrowing either from its members or from other, the whole of its reserve funds may be utilised in its business.

(2) When the utilisation of the reserve fund of a society in its business is sanctioned by the Registrar under this rule, the financing bank concerned shall, on the expiry of two months from the date of receipt of the sanction of the Registrar, refund the amount to the society with interest accrued thereupon to the date of refund without asking for any notice of withdrawal.

54. **Object of reserve fund and disposal thereof on the winding up of the society**:—

(1) The reserve fund shall belong to the society as a whole and is intended to meet unforseen losses. It shall be indivisible and no member shall have any claim to a share in it. It may be drawn upon with the special sanction of the Registrar to meet unforeseen losses.

(2) On the winding up of the society, the reserve fund together with other funds constituted by the society, in accordance with its by-laws including the common good fund and the dividend fund shall be applied by the liquidator to the discharge of such liabilities of the society as may remain undischarged out of the assets of the society, in the following order, namely: —

(a) the debts due to the Government;

(b) other debts of the society;

(c) the paid up share capital; and

(d) the dividend upon paid-up share capital at rates not exceeding those specified in clause (3) (c) (ii) of Rules 52 for any period or periods for which dividend has not been paid; or such dividend upon paid-up share capital as will bring the total dividend paid to the maximum rate specified in the said clause for any period or periods for which the dividend at a rate lower than the maximum specified has been paid;

NOTE : No dividend shall, however, be paid on share capital if the by-laws of the society do not provide for payment of dividend.

(c) in the case of a co-operative workshop for ex-servicemen any balance of assets remaining after meeting the debts of the society, shall be credited to the Government and Welfare Organisation for the benefit of ex-servicemen up to the extent of the value of the original gifts in proportions to the contributions made by them. Surplus assets, if any shall be

applied by the liquidator to the discharge of the paid-up share capital and dividend as laid down in clauses (c) and (d).

(f) in the case of societies other than co-operative workshops for ex-servicemen any balance of assets remaining after meeting the debts of the society shall be credited to the Government in proportion to the amount of money granted by them. Surplus assets if any, shall be applied by the liquidator for the discharge of the paid-up share capital and dividend as laid down in clauses (c) and (d).

Explanation: The grants of money referred to in this rule shall not include the money granted by the Government towards the establishment and contingent charges of the society.

(3) Any surplus funds remaining after the payments mentioned in sub-rule (2) shall be applied to any object of pubic utility determined by the general meeting of the society ordered to be wound up and approved by the Registrar or

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the surplus funds may, in consultation with the general body be assigned by the Registrar in whole or in part to any or all of the following: ─

(a) an object of public utility or local or civic interest; or

(b) the Puducherry State Co-operative Union or any other Co-operative society; or

(c) may be placed on deposit with Puducherry State Co-operative Bank until such time as a new society with similar conditions is registered when with the consent of the Registrar, such surplus may be credited to the Reserve Fund of such new society; or

(d) a charitable purpose as defined in section 2 of the Charitable Endowments Act, 1890 (VI of 1890).

55. **Provident Fund**.─ Every society shall establish a contributory Provident Fund for its employees and frame regulations for the maintenance and the utilisation of the said fund and such regulations shall provide for the following, namely: ─

(i) an amount not less than eight per cent of the employees' basic pay, to be deducted from the employees' salary as contribution;

(ii) a sum at the rate of eight per cent of the basic pay of the employees' salary shall be made by the society as employers' contributions;

(iii) advances which may be made against the security of the provident fund and mode of recovery thereof;

(iv) refund of employee's contribution and contribution made by the society;

(v) mode of investment of the provident fund and payment of interest thereon:

Provided that when the Employees' Provident Fund Act, 1952 is applicable to the society and the provisions of that Act are more beneficial, the fund shall be maintained in accordance with the provisions of the said Act.

56. **Gratuity**.─ Every society shall make in its by-laws provision for payment of gratuity to its employees and frame regulations for its administration and such regulations shall provide for the following:

(i) all monthly paid employees on the permanent establishment shall be eligible for gratuity;

(ii) service rendered by employees must be continuous and satisfactory;

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(iii) when an employees who has put in at least 5 years satisfactory service is retired voluntarily from service or if he is permanently disabled while in service or if he dies while in

service, the society shall pay to him or to his legal heirs, as the case may be, a gratuity not exceeding half months pay for every completed year of service:

Provided that in no case shall the gratuity exceeds fifteen month's pay.

57. **Transactions with non-members**.— Subject to the provisions under section 65 and 66 no society shall enter into any transaction with a person other than a member unless—

(a) the by-laws of the society permit it for the purpose; or

(b) the previous sanction of the Registrar has been obtained by the society.

58. **Incurring of expenditure from general funds**.— No society shall, without the prior sanction of the Registrar, incur, for any purpose not directly connected with the management or business of the society, any expenditure out of its general funds if such expenditure is likely to affect prejudicially the formation and maintenance of the Reserve Fund.

59. **Use of premises**. — No society shall, except with the previous sanction of the Registrar, use or allow to be used any premises used for its business or portion there of for any purpose other than such business or other co-operative activities:

Provided that no such sanction shall be granted to any society for using or allowing to be used any such premises or portion thereof for political purposes.

60. **Declaration to be made by members of credit societies**: —

Form No. 7.

(2) A register of such declaration shall be kept by the society in Form. No. 8.

61. **Deduction from the salary or wages**. —

(1) On the execution of an agreement under sub-section (1) of section 45, the society may send intimation by registered post of the execution of the agreement to the employer or the officer disbursing the salary or wages of the member who has executed the agreement and furnish the said employer or officer with a copy of such agreement certified in the manner specified in rule 16. The employer or the officer disbursing the salary or wages shall on receipt of such information from the society make a note of the agreement in the register maintained by him for the disbursement of salary or wages.

(2) In respect of every members who has executed the said agreement and in respect of whom intimation has been sent under sub-rule (1), the society may send to the employer or the officer disbursing the salary or wages of the member a requisition every month for the recovery from the salary or wages of such members of the amount payable by the member to the society for the month and for the remittance of such amount to the society. Such requisition shall be in

Form No. 9, shall specify the total amount to be recovered from the salary or wages of the member for the working day of the month.

(3) A member who has executed such an agreement shall, on every occasion he becomes subject to a new pay disbursing authority whether by reason of change of office or place of employment or otherwise, within a week of his becoming so subject, give intimation of the same to the society. The society shall within a fortnight of the receipt of such intimation send intimation by registered post of the execution of the agreement to such pay disbursing

authority. And furnish the said authority with a copy of such agreement certified in the manner specified in rule 16. The employer or the officer concerned shall, on receipt of such intimation from the society, make a note of agreement in the register maintained by him for the disbursement of salary or wages.

(4) Any amount recovered by an employer or officer disbursing salary or wages from an employee by deduction form his salary or wages in pursuance of a requisition received from any society or societies, as the case may be, shall be remitted by such employer or officer as the case may be, to the society or societies concerned as soon as possible and in any case within a period of 10 days from the date of recovery provided that the Registrar shall have power to extend the period upto 30 days in the case of any society or class of societies.

(5) The cost of remittance to the society or societies of the deduction made under clause (a) of sub-section (2) of section 45 shall be borne by the society or societies concerned. The employer or the officer disbursing the salary or wages shall furnish to the society or societies, as the case may be, along with the remittance a statement of recoveries effected from the members and the cost of remittance of the money to the society or societies in

Form No. 10.

(6) Where an amount deducted by the employer or the officer disbursing the salary or wages of the member of a society under clause (a) of sub-section (2) of section 45 is remitted by such employer or officer to a society, the society shall promptly issue to such employer or officer an official receipt for the amount so remitted; and the receipt given by the society for such amount shall constitute a good and sufficient discharge of the liability of such employer or officer in respect of any claims by such member against such employer or officer.

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(7) Any amount realised by a society from a member by deduction shall be credited by the society to the account of such member on the date on which the amount was deducted by the employer or the officer disbursing the salary or wages irrespective of the date on which the amount was actually received by such society. On the appropriation of the amount in the accounts of society, the particulars of credit for the amount realised shall forthwith be furnished to the member by the society.

(8) The employer or the officer disbursing the salary or wages shall for the purpose of sub-section (3) of section 45 maintain a register showing the recovery and remittance of money due to societies in

Form No. 11.

(9) (a) Credit societies, distributive societies, and housing societies shall be the classes of societies for the purpose of the proviso to clause (b) of sub-section (2) of section 45;

(b) where any amount is due to any society belonging to any of the classes of societies specified in clause (a), the entire gross salary or wages for the month may be deducted and paid as laid down in clause (b) of the said sub-section (2).

CHAPTER – VII
AUDIT

62. **Procedure for conducting audit**.—

(1) The audit under section 74 shall in cases extend back to the last date of the previous audit and shall be carried upto the last date of co-operative year immediately preceding the audit.

(2) The Registrar shall, in cases where the audit is done by him, prepare and in cases where the audit is done by a person authorised by him under sub-section (7) of section 74, obtain from such person an audit memorandum on the accounts and on every balance sheet and profit and loss account examined by him, and in the audit memorandum, the person who does the audit shall state whether in his opinion and to the best of his information and according to the explanations given to him, the said accounts give a true and fair picture—

(i) in the case of the balance-sheet, of the state of the society's affairs as at the end of the co-operative year; and

(ii) in the case of profit and loss account of the profit or loss for the co-operative year.

(3) The person who does the audit shall also state in the audit memorandum—

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(a) whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;

(b) whether in his opinion, proper books of accounts as required by the Act, these rules and the by-laws of the society have been kept and regularly maintained by the society so far as it appears from his examination of these books; and

(c) whether the society's balance-sheet and profit and loss account dealt with by the memorandum are in agreement with the books of account and returns.

(4) Where any of the matters referred to in sub-rule (3) is answered in the negative or with a qualification, the person who does the audit shall specify the reasons for the answer in the audit memorandum.

(5) The audit memorandum shall contain schedules with full particulars of—

(i) all transactions which appear to be contrary to the provisions of the Act, these rules or the by-laws of the society;

(ii) all sums which ought to have been but have not been brought into account by the society;

(iii) any material impropriety or irregularity in the expenditure of in the realisation of moneys due to the society;

(iv) any money or property belonging to the society which appears to the person who does the audit to be bad or doubtful debt; and

(v) any other matters specified by the Registrar in this behalf.

(6) On completion of the statutory audit, the Registrar or the person authorised under sub-section (1) of section 74 shall award an audit classification letter to the society whose

accounts he has audited, in accordance with the instructions of the Registrar issued from time to time.

(7) After every audit, the Registrar shall grant to the concerned society an audit certificate and a copy of the audit memorandum specified in sub-rule (2) signed by him. While communicating, the audit memorandum, the Registrar may modify or expunge any portion thereof which appears to him to be objectionable or not justified by facts.

(8) The society shall publish─

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(i) the audit certificate;

(ii) the statement showing the receipts and disbursements for the year; (iii) the profit and loss account; and

(iv) the balance –sheet;

in the manner specified by the Registrar and shall also keep them open for inspection by any member of the society. The summary of the audit memorandum shall also be read out at the general meeting of the society.

63. **Levy of audit fees**. ─ (1) The Registrar shall specify the fees payable by the different classes of societies for the audit of their accounts for each co-operative year under sub-section (6) of section 74 as provided below:

(a) where the Registrar appoints one or more persons specially or exclusively for the audit of accounts of one or more societies, the fee payable by such society or societies shall be the entire or proportionate cost of the staff as may be determined by the Registrar;

(b) in respect of other societies for the audit of whose accounts the regular staff is employed the Registrar shall fix the scale of fees with the previous approval of the Government after taking into account the total cost of the regular staff employed for this purpose.

(2) Every society which is subject to the levy of audit fees shall remit the audit fees payable under sub-rule (1) into the nearest Government treasury within three months from the date of issue of a demand by the Registrar in this behalf. In the case of a society which is not subject to the levy of audit fees, the amount credited to the audit fund of such society or the audit fees payable under sub-rule (1), whichever is less, shall be paid by such society into the nearest Government treasury within three months from the date on which the audit certificate for the year is issued by the Registrar under rule 62.

CHAPTER – VIII
SETTLEMENT OF DISPUTES

64. **Reference of disputes**.─ (1) The reference to the Registrar of any dispute under sub-section (1) of section 84 shall be in writing.

(2) The period of limitation for referring a dispute mentioned in sub-rule (1) shall be regulated by the provisions of the Indian Limitation Act, 1963 (Central Act, 36 of 1963), as if the dispute were a suit and the Registrar of a Civil Court:

Provided that a dispute between (i) the society or its committee and (ii) any past committees, any past officer, past agent or past servant or the nominee, heirs or legal representatives of any deceased officer, deceased agent or deceased servant of the society shall, where the dispute relates to any act or omission on the part of

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a society or its committee, or any past committee, any past officer, past agent or past servant, or the nominee or heirs or legal representatives of any deceased officer, deceased agent or

deceased servant of the society, be referred to the Registrar within three years from the date on which the act or omission with reference to which the dispute arose, took place:

Provided further that a dispute relating to or in connection with, any election of officer shall be referred to the Registrar within two months from the date of declaration of result of such election.

(3) The Registrar, the arbitrator or arbitrators or other persons deciding a dispute may either on his or their own motion or on the application of any party to the dispute inspect any property which is the subject matter of such dispute provided that no such inspection shall be made without giving notice to both the parties to the dispute.

(4) Where on receipt of a reference under sub-rule (1) the Registrar decides under clause (b) of sub-section (2) of section 84 to refer it for disposal by arbitration, the reference shall be made either to a single arbitrator appointed by the Registrar or to body of arbitrators of whom one shall be nominated by the Registrar and one by each of the parties to the dispute. The arbitrator appointed by the Registrar shall act as the chairman to the body of arbitrators and shall fix the time and place for the hearing of the dispute and carry on the necessary correspondence in connection with the reference.

(5) The Registrar, the arbitrator or body of arbitrators or other persons deciding the dispute, shall have power to administer oaths, to require the attendance of all parties concerned and of witnesses and to require the production of all books and documents relating to the matter of the dispute.

(6) The Registrar, the arbitrator or the chairman of the body of arbitrators, or other persons deciding the dispute, **[**shall**]*** record a brief note in English or in Tamil or in any regional language understood by both the parties to the dispute, of the evidence of the parties and witnesses who attend and upon the evidence so recorded, and after consideration of any documentary evidence produced by the parties, a decision, or award, as the case may be, shall be given in accordance with justice, equity and good conscience by such Registrar, arbitrator or body of arbitrators or other persons. The decision or award, given shall be reduced to writing. In the absence of any party duly summoned to attend, the dispute may be decided exparte. Where several arbitrators are appointed, the opinion of the majority shall prevail.

(7) (a) The Registrar may require the person referring a dispute under sub-section (1) of section 84 to deposit in advance the fee prescribed by the Registrar for deciding the dispute;

* Vide corrigendum issued in G. O.Ms. No.45 dated 3-5-75.

(b) the Registrar, arbitrator or body of arbitarators, or other persons deciding the dispute may order the expenses incurred in determining such dispute to be paid either out of the funds of the society or by such party or parties to the dispute as he or they may think fit;

(c) The Registrar may in his discretion remit the whole or any part of the fee to be deposited under clause (a).

(8) In proceeding before the Registrar, the arbitrator or body of arbitrators or other persons deciding the dispute [legal]* practitioners shall not be entitled to appear to represent parties.

(9) Save as provided in sub-rule (10)

(a) on an application to the Registrar of the region in which the cause of action arose, the decision or award shall be enforced as provided in chapter VIII of these rules.

(b) on a requisition to the collector or to any person authorised by him in this behalf, made by the Registrar all sums recoverable under the decision, or award shall be recovered in the same manner as arrears of land revenue.

(c) on application to the civil court having jurisdiction over the subject matter of the decision or award, that court shall enforce the decision or award as if it were a final decree of the court.

(10) where the decision or award is for the delivery of possession to society of land or other immovable property resumed by it for breach of the conditions of assignment or allotment of the land or other immovable property, the society may apply to the Registrar of the region in which the land or other immovable property is situated for enforcement of the decision or award. On such application, such Registrar or Sale Officer empowered by him shall deliver possession of the land or other immovable property to the society or to such other person as it may appoint to receive delivery on its behalf by removing, if necessary any person bound by the decision or award who refuses, to vacate the land or other immovable property.

(11) The provisions of section 17 and article 136 of the schedule to the Limitation Act, 1963, (Act No. 36 1963) prescribing the period of limitation for the execution in a Civil Court of a decree or order of such court shall apply *mutatis mutandis* in respect of─

(a) the execution decisions, awards and orders passed under the Act; and

(b) the recovery under section 133 of any amount due under a decree or order of Civil Court.

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(12) The Registrar of the region to whom an application for enforcing a decision or award has been made under clause (a) of sub-rule (9) may, for reasons to be recorded in writing, send decision or award to a civil court of competent jurisdiction for execution and that court shall execute the same as if it were a final decree of that court.

65. **Mode of service of summons**.─

(1) Every summons issued under the Act shall be in writing, shall be authenticated by the seal, if any, of the officer by whom it is issued and shall be signed by such officer or by any person authorised by him in writing in that behalf. It shall require the person summoned to appear before the said officer at a stated time and place and shall specify whether his attendance is required for the purpose of giving evidence or to produce a document, or for both purposes and any particular document, the production of which is required shall be described in the summons with reasonable accuracy.

(2) When the summons is to the party against whom a reference has been made under sub-section (1) of section 84 or to a party connected with the subject matter of the proceedings taken up for passing orders under section 141, it shall be accompanied by a copy of the reference made or the application for revision of proceedings as the case may be.

(3) Any person may be summoned to produce a document without being summoned to give evidence; and any person summoned merely to produce a document shall be deemed to have complied with the summons if he causes such document to be produced instead of attending personally to produce the same.

(4) The service of summons under the Act on any person may be effected in any of the following ways, namely: ─

(a) by giving or tendering it to such person; or

(b) if such person is not found, by leaving it at his last known place of abode or business or by giving or tendering it to some adult member of his family; or

(c) if the address of such person is known to the Registrar or other authorised person, by sending it to him, by post registered ; or

(d) if none of the means aforesaid is available, by affixing it in some conspicuous part of his last known place of abode or business.

(5) Where the serving officer delivers or tenders a copy of the summons to such person personally or to an agent or other person on his behalf, he shall require the signature of the person to whom the copy is delivered or tendered to an acknowledgement of service endorsed on the original summons.

(6) The serving officer shall in all cases in which, the summons has been served under sub-rule (5) endorse or annex, or cause to be endorsed or annexed, on or to the original summons a return stating the time when and the manner in which the summons was served and the name and address of the person (if any) identifying the person served and witnessing the delivery or tender of the summons.

(7) Where the person to be served with summons is a public officer or is the servant of a railway administration or local authority, the officer issuing the summons may if it appears that the summons may be most conveniently so served, send it by registered post prepared for acknowledgement for serving on such person to the head of the office in which he is employed together with copy to be retained by such person.

CHAPTER – IX
WINDING UP AND DISSOLUTION OF SOCIETIES

66. **Procedure to be adopted by liquidator**:─ Where a liquidator had been appointed under sub-section (1) of section 127, the following procedure shall be adopted, namely: ─

(b) the liquidator shall publish by such means as he may think proper a notice requiring all claims against the society to be submitted to him within two months of the publication of such notice. All liabilities recorded in the account books of such society shall be deemed *ipso-facto* to have been duly submitted to him under this clause;

(c) the liquidator shall, after setting the assets and liabilities of the society and they stood on the date on which the order under section 126 for its winding up was made, proceed next to determine the contribution to be made by each of its members, past members or by the estates of nominees, heirs or legal representatives of deceased members or by any officers or former officers, to the assets of the society under Clauses (b) and (f) of sub-section (2) of section 128. If, however, necessity were to arise, he may also frame a subsidiary order or orders regarding such contributions and such order shall be enforceable in the same manner as the original orders themselves;

(d) the liquidator shall submit to the Registrar a quarterly report in such form as the Registrar may specify showing the progress made in the winding up of the society;

(c) the liquidator may empower any person by general or special order in writing to make collections and to grant valid receipts on this behalf;

(f) all funds in the charge of the liquidator shall be deposited in the Government treasury or in the post office savings bank or in a financing bank or with such other bank or person as may be approved by the Registrar and shall stand in the name of the liquidator;

(g) the remuneration of the liquidator fixed under sub-section (1) of section 127 shall be included in the cost of winding up which shall be payable out of the assets of the society in priority to all other claims;

(h) the liquidator may call for meetings of members of the society from time to time;

(i) the authority competent to accord previous approval for the purposes of clause (f) or (k) of sub-section (2) of section 128 shall be the Registrar;

(j) at the conclusion of the winding up, a general meeting of the society shall be called at which the liquidator or any person authorised by him by general or special order in writing in this behalf shall summarise the result of his proceedings and shall decide as to the disposal of any surplus funds in the manner prescribed in sub-rule (3) of Rule 54;

(k) if any liability cannot be discharged by the liquidator owing to the whereabouts of the claimants not being known or for any other cause, the amount covered by such undischarged liability may be deposited in a financing bank and shall be available for meeting of the claim of the person or persons concerned. On the expiry of three years from the date of deposit of such amount, the Registrar may, on his own motion or on the application of the financing bank, pass an order directing that the said amount shall be added to the bad debt reserves of the financing bank:

Provided that no such order shall be passed by the Registrar, unless he has published a notice of his intention to pass such order by beat of tom-tom in the village or villages comprised within the area of operations of the society or by publication in the Official Gazette concerned or by any other means which he may consider suitable and a period of thirty days has expired from the date of such publication;

(l) a liquidator may, at any time, be removed by the Registrar and he shall on such removal be bound to handover all the property and documents relating to the society ordered to be wound up to such person as the Registrar may direct;

(m) all the books and records of a society whose registration has been cancelled and proceedings of liquidation may be destroyed by the Registrar after the expiry of three years from the completion or conclusion of the liquidator.

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67. **Procedure in execution of decree, decision, award or contribution orders, officer to whom application should be addressed**.—

(1) Any decree-holder requiring the provisions of section 133 to be applied shall apply to the Registrar or the Registrar of the region in which the cause of action arose and shall deposit the necessary cost on a scale fixed by the Registrar. Such Registrar shall, in cases where the application is for the recovery of any amount due under a decree or an order of Civil Court, apply to the Civil Court which passed the decree or order for the transfer to him of the said decree or order and the records specified in rule 6 of order XXI in the first schedule to the Code of Civil Procedure, 1908 (Central Act V of 1908) and on receipt of such application, the Civil Court shall transfer them to the Registrar or the Registrar of the region. Where, in connection with the proceedings on an application under section 133 any person requires the issue of any process, or objects to any process issued or proposed to be issued or requires the adjournment of any proceedings or objects to any order passed he shall pay such fee as may be fixed by the Registrar in this behalf. If the defaulter resides or the property to be proceeded against is situated in a region other than that in which the cause of action arose, the Registrar or the Registrar of the region to whom the application is made under this sub-rule shall transfer the application to the Registrar or the Registrar of the region in which the defaulter resides or such property is situated.

(2) Where a defaulter dies before the decree has been fully satisfied, and application under sub-rule (1) may be made against the legal representative of the deceased and

thereupon all the provisions of these rules shall, save as otherwise provided in this rule, apply as if such legal representative were the defaulter.

(3) Where the decree is executed against such legal representative he shall be liable only to the extent of the property of the deceased which has come to his hands and has not been duly disposed of; and for the purpose of ascertaining such liability, the Registrar executing the decree may, of his own motion or on the application of the decree-holder, compel such legal representative to produce such accounts as he thinks fit.

(4) Property in the hands of a son or other descendant who is liable under Hindu Law for the payment of the debt of the deceased ancestor in respect of which decree has been passed, shall be deemed to be the property of the deceased which has come to the hands of the son or other descendant as his legal representative.

68. **Procedure on receipt of the application by the Registrar**:— The application shall be made in the form specified by the Registrar and shall be signed by the decree-holder. The decree-holder may indicate whether he wishes to proceed in the first instance, against the immovable property mortgaged to the decree-holder or other immovable property or to secure the attachment of movable property. On receipt of the application, the Registrar or the Registrar of

the region shall verify the correctness and genuiness of the particulars setforth in the application with records, if any, in his office and prepare a demand notice in writing in duplicate in the form specified by the Registrar, setting forth the name of the defaulter, the amount due and forward it to a sale officer. If the defaulter resides or the property to be proceeded against is situated in a region other than that in which the cause of action arose, the Registrar or the Registrar of the region to whom the application is made, shall forward the application and the demand notice to the Registrar or the Registrar of the region in which defaulter resides or such property is situated.

69. **Order in which proceedings shall be taken**— Unless the decree-holder has indicated under rule 68, the order in which the property of the defaulter shall be proceeded against execution shall ordinary be taken in the following manner, namely: —

(i) movable property of the defaulter shall be first proceeded against, but nothing in this clause shall preclude the immovable property being proceeded against simultaneously in case of necessity;

(ii) if there is no movable property or if the sale proceeds of the movable property, or properties attached and sets are insufficient to meet in full the demand of the decree-holder, the Immovable property mortgaged to the decree holder or other Immovable property belonging to the defaulter, may be proceeded against.

70. **Rules for seizure and sale of movable property**.— In the seizure and sale of movable property the following rules shall be observed: —

(i) the sale officer shall, after giving previous notice to the decree holder proceed to the village where the defaulter resides or the property to be distrained is situated and serve the demand notice upon the defaulter if he is present. If the amount due together with the interest and all expenses be not at once paid, the sale officer shall make the distress and shall immediately deliver to the defaulter a list or inventory of the property distrained and an intimation of the place, day and hour at which the distrained property will be brought to sale if the amounts due are not previously discharged. If the defaulter is absent the sale officer shall serve the demand notice on some adult male member of his family or on his authorised agent, or when such service cannot be effected, shall affix a copy of the demand notice on

some conspicuous part to of his residence. He shall then proceed to make the distress and shall fix the list of the property attached on the usual place of residence of the defaulter endorsing thereon and the place where

property may be lodged or kept and an intimation of the place, day and hour of sale if the amounts due are not previously discharged;

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(ii) after the distress is made, the sale officer may arrange for the custody of the property attached with the decree holder or otherwise;

(iii) if the sale officer requires the decree holder to undertake custody of the property, he shall be bound to do so and any loss incurred owing to his negligence shall be made good by the decree holder. If the attached property is livestock, the decree-holder shall be responsible for providing the necessary food therefore;

(iv) the sale officer may, at the instance of the defaulter or of any person claiming an interest in such property leave it in the village or place where it was attached, in the charge of such defaulter or person if he enters into a bond in the form specified by the Registrar with one or more sufficient sureties for the production of the property at the place of sale when called for;

(v) the distress shall be made after sunrise and before sunset and not at any other time;

(vi) the distress levied shall not be excessive, that is it to say, the property distrained shall be as nearly as possible proportionate to the sum due by the default together with interest and all expenses incidental to the distraint, detention and sale;

(vii) if crops or ungathered products of the land belonging to a defaulter are attached, the sale officer may cause them to be sold when fit for reaping or gathering or at his option may cause them to be reaped or gathered in due season and stored in place until sold. In the latter case, the expense of-reaping or gathering and storing such crops or products shall be defrayed by the owner upon his redeeming the property or from the proceeds of the sale in the event of its being sold;

(viii) the sale officer or the decree holder shall not work the bullocks or cattle, or make use of the goods or effects distrained; and he shall provide the necessary food for the cattle or livestock the expense attending which shall be defrayed by the owner upon his redeeming the property, or from the proceeds of the sale in the event of its being sold;

(ix) if free ingress could not be obtained even after demand or if any door is locked it shall be lawful for the sale officer to force open any stable, cow-house, granary, godown, out-house, or other building, and he may also enter any dwelling house, the outer door of which may be opened and may break open the door, of any room in such dwelling house, for the purpose of attaching property belonging to a defaulter and lodged therein :

Provided always that it shall not be lawful for the sale officer to break, open or enter any apartment in such dwelling house appropriated for the occupation of women except as provided under clause (x).

(x) where the sale officer may have reasons to suppose that the property of a defaulter is lodged within a dwelling house the outer door of which may be shut or within any apartments in the actual occupancy of a woman who according to customs does not appear in public, the sale officer shall represent the fact to the officer-in-charge of the nearest police station. On such representation, the officer-in-charge of the said station shall send a police officer to the spot in the presence of whom the sale officer shall make a demand of any person residing in such place to allow him free ingress and if ingress to such place cannot be obtained as foresaid, the sale officer may force open the outer door of such dwelling house in

like manner as he may break open the door of any other room within the house. The sale officer may also, in the presence of the police officer, after due notice given for the withdrawal of women, and after furnishing means for their withdrawal in a suitable manner (if they be women of rank who according to the customs of the country cannot appear in public) enter or break open the room for the purpose of distraining the defaulter's property, if any deposited therein, but such property if found, shall be immediately removed from such rooms so as to enable the women to re-occupy it.

(xi) the sale officer shall on the day previous to and on the day of sale cause proclamation of the time and place of the intended sale to be made by beat of drum in the village in which the defaulter resides and in such other place or places as the Registrar may consider necessary to give due publicity to the sale;

(xii) no sale shall take place until after the expiration of the period of fifteen days from the date on which the sale notice has been served or affixed in the manner specified in clause (i):

Provided that where the property seized is subject to speedy and natural decay, or where the expenses of keeping it in custody are likely to exceed it value, the sale officer may sell it at any time before the expiry of the said period of fifteen days unless the amount due is sooner paid:

Provided also that where property attached under section 157 is subject to speedy and natural decay or where the expenses of keeping it in custody are likely to exceed its value, the sale officer may sell it at any time before the expiry of the said period of fifteen days or before an order is made under sub-section (1) of section 82 or decision is passed or order is made or an award is given under section 84 or contribution is determined under clause (b) of sub-section (2) of section 128 and deposit the sale proceeds less costs in the nearest Government treasury unless the amount specified in the order of attachment is paid earlier;

(xiii) at the appointed time, the property shall be put up in one or more lots as the sale officer may consider advisable, and shall be disposed of to the highest bidder:

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Provided that it shall be open to the sale officer to declaim to accept the highest bid where the price offered appears to be unduly low or for other reasons:

Provided further, that the Registrar of the region or the sale officer, may in his discretion, adjourn the sale to a specified day and hour, recording his reasons for such adjournment, where a sale is so adjourned for a longer period than seven days, a fresh proclamation under clause (xi) shall be made unless the defaulter consents to waive it;

(xiv) where the property may sell for more than the amount due, the excess amount after deducting the interest and the expenses of process and other charges shall be paid to the defaulter;

(xv) the property shall be paid for in cash at the time of sale or as soon thereafter as the officer holding the sale shall appoint and the purchaser shall not be permitted to carry away any part of the property until he has paid for it in full;

(xvi) where the purchaser may fail in the payment of purchase money, the property shall be resold;

(xvii) where it is proved tot eh satisfaction of any civil court of competent jurisdiction that any property which has been disteained under these rules has been forcibly or clandestinely removed by any person, the court may order forthwith such property to be restored to sale officer

(xviii) where prior to the day fixed for the sale, the defaulter or any person acting in this behalf or any person claiming an interest in the property attached, pays the full amount due including interest, batta and other costs incurred in attaching the property, the sale officer shall cancel the order of attachment and release the property forthwith;

(xix) the movable properties mentioned as exempt from attachment in the proviso to sub-section (i) of section 60 of the Code of Civil Procedure, 1908 (Central Act V of 1908) shall not be liable to attachment or sale under these rules.

71. **Attachment of salary or allowances of public officer or servant of a railway administration or local authority or firms**. ─

Where the movable property to be attached is the salary or allowance or wages of a public officer or of a servant of a railway administration or local authority or a firm or a company the Registrar or the Registrar of the region, may on receiving a report from the sale officer, order that the amount shall, subject to the provisions of section 60 of Code of Civil Procedure, 1908 (Central Act V of 1908), be with-held from such salary or allowance or wages either in one payment or by monthly instalments as the said Registar may direct and upon

notice of the order, the officer or other person whose duty it is to disburse such salary or allowances or wages, shall withhold and remit to the sale officer, the amount due under the order or the monthly instalment, as the case may be.

72. **Attachment of share or interest in movables─**

(1) Where the property to be attached consists of the share or interest of the defaulter in movable property belonging to him and another as co-owners, the attachment shall be made by a notice to the defaulter prohibiting him from transferring the share or interest or charging it in any way.

(2) Where the property to be attached is a negotiable instrument not deposited in a court nor in the custody of a public officer, the attachment shall be made by actual seizure and the instrument shall be brought to the office of the Registrar or the Registrar of the region ordering the attachment and be held subject to his further orders.

(3) Where the property to be attached is in the custody of a court or public officer, the attachment shall be made by a notice to such court or officer, requesting that such property and any interest or dividend becoming payable thereon may be held subject to the further order of the Registrar of the region issuing the notice:

Provided that, where such property is in the custody of a court or Registrar of another region any question of title or priority arising between the decree-holder and any other person not being the defaulter, claiming to be interested in such property by virtue of any assignment, attachment or otherwise, shall be determined by such court or Registrar.

Explanation: In this rule "Public Officer" includes a liquidator appointed under sub-section (1) of section 127.

73. **Attachment of decree**.─ (1) Where the property to be attached is a decree either for the payment of money or for sale in enforcement of a mortgage or charge, the attachment shall be made─

(a) If the decree sought to be attached was passed by a Registrar or by any person to whom a dispute was transferred by a Registrar under section 84 by an arbitrator or arbitrators within the local limits of the jurisdiction of a Registrar, then by the order of the Registrar concerned;

(b) If the decree sought to be attached was passed by a court and has not been sent for execution to any other court, then by the issue to such court of a notice by the Registrar concerned requesting such court to stay the execution of its decree, unless and until: ─

(i) the Registrar aforesaid cancels the notice; or

(ii) the holder of the decree sought to the executed, or the judgment-debtor, applies to the court, receiving such notice to execute its own decree;

(c) If the decree sought to be attached is pending execution in a court which did not pass the same, then by the Registrar or by the Registrar of the Region seeking to attach such decree in execution, sending the notice referred to in clause (b) to such court, whereupon the provisions of that clause shall apply in the same manner as if such court had passed the decree and the said notice had been sent to it in pursuance of the said clause.

(2) Where a Registrar makes an order under clause (a) of sub-rule (1) or when a court receives a notice under sub-clause (ii) of clause (b) of the said sub-rule, such Registrar or court shall on the application of the decree holder who has attached the decree or his defaulter, proceed to execute the attached decree and apply the net proceeds in satisfaction of the decree sought to be executed.

(3) The holder of a decree sought to be executed by the attachment of another decree of the nature specified in sub-rule (1) shall be deemed to be representative of the holder of the attached decree and to be entitled to execute such attached decree in any manner lawful for the holder thereof.

(4) Where the property to be attached in execution of a decree is a decree other than a decree of the nature referred to in sub-rule (1), the attachment shall be made by issue of a notice by the Registrar or Registrar of region to the holder of such decree, prohibiting him from transferring or charging the same in any way; and, where such decree has been passed by any court or by a different Registrar or by a person to whom a dispute was transferred under section 84 by a different Registrar or an arbitrator or arbitrators in another region also by sending to such court or to the Registrar or Registrar of the region concerned, as the case may be a notice to abstain from executing the decree, sought to be attached until such notice is cancelled by the Registrar who sent the notice.

(5) The holder of a decree attached under this rule shall give the court or the Registrar or the Registar of region executing the decree such information and aid as may reasonably be required.

(6) On the application of the holder of a decree sought to be executed by attachment of another decree, the Registrar or the Registrar of the region making an order of attachment under this rule shall give notice of such order to the judgment-debtor bound by the decree attached, and no payment or adjustment of the attached decree made by the judgement debtor in contravention of such order after receipt of notice thereof, either through the said Registrar or otherwise, shall be recognised so long as the attachment remains in force.

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74. **Attachment of debt share and other property not in possession of defaulter**.─

(1) Where the movable property to be attached is: ─

(a) debt due to defaulter in question;

(b) share in the capital of a corporation or a deposit invested therein; or

(c) other movable property not in the possession of the defaulter except property deposited in or in the custody of any Civil Court, the attachment shall be made by a written order signed by the Registrar or the Registrar of the region prohibiting: ─

(i) in the case of the debt, the creditor from recovering the debt and the debtors from making payment thereof;
(ii) in the case of the share or deposit, the person in whose name the share or the deposit may be standing from transferring the share or deposit or receiving any dividend or interest thereon; (iii) in the case of the other movable property except as aforesaid, the person in possession of it from giving it over to the defaulter.

(2) A copy of such order shall be sent in the case of the debt, to the debtor in the case of the share or deposit to the proper officer of the Corporation and in the case of the movable property (except as aforesaid) to the person in possession of such property. As soon as the debt referred to in clause (a) of sub-rule (1) or the deposit referred to in clause (b) of that sub-rule matures, the Registrar or the Registrar of the region may direct the person concerned to pay the amount to him. Where the share is not withdrawable, the said Registrar shall arrange for its sales through a broker. Where the share is withdrawable, its value shall be paid to the said Registrar or the party concerned as soon as it becomes payable. In the case of the other movable property referred to in clause (c) of sub-rule (1), the person concerned shall place it in the hands of the said Registrar, as soon as it becomes deliverable to the defaulter.

(3) Immovable property shall not be sold in execution of a decree unless such property has been previously attached:

Provided that where the decree has been obtained on the basis of a mortgage of such property, it shall not be necessary to attach it.

75. **Procedure in attachment and sale of immovable property**.— In the attachment and sale or sale without attachment of immovable property, the following rules shall be observed: —

(i) the application presented under rule 68 shall contain a description of the immovable property to be proceeded against sufficient for its identification

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and in case such property can be identified by boundaries or numbers in record of settlement or survey, the specification of such boundaries or numbers and the specification of the defaulter's share or interest in such property to the best of the belief of the decree-holder and so far as he has been to ascertain it;

(ii) the demand notice issued by the Registrar under rule 68 shall contain the name of the defaulter, the amount due including the expenses, if any, and the batta to be paid to the person who shall serve the demand notice, the time allowed for payment and in case of non payment, the particulars of the properties to be attached and sold or to be sold without attachment, as the case may be. After receiving the demand notice the sale officer shall serve or cause to be served a copy of the demand notice upon the defaulter or upon some adult male member of his family at his usual place of residence or upon his authorised agent, or if such personal service is not possible shall affix a copy thereof on some conspicuous part of his last known residence, or on some conspicuous part of the immovable property about to be attached and sold or sold without attachment as the case may be:

Provided that where the Registrar is satisfied that a defaulter with intent to defeat or delay the execution proceedings against him is about to dispose of the whole or any part of his property, the demand notice issued by the Registrar under rule 68 shall not allow any time to the defaulter for the payment of the amount due by him and the property of the defaulter shall be attached forthwith;

(iii) if the defalter fails to pay the amount specified in the demand notice within the time allowed, the sale officer shall proceed to attach and sell or sell without attachment as the case may be, the immovable property noted in the application for execution in the manner hereinafter specified;

(iv) where the attachment is required before sale, the officer shall if possible, cause a notice of attachment to be served on the defaulter personally. Where personal service is not possible, the notice shall be affixed in some conspicuous part of the defaulter's last known residence, if any. The fact of attachment shall also be proclaimed by beat of the tom-tom or other customary mode at some place or adjacent to such property and at such other place as the Registrar or the Registrar of the region may consider necessary to give due publicity to the sale. The attachment notice shall set-forth that unless the amount due with interest and expenses be paid within the date therein mentioned, the property will be brought to sale. A copy of the notice shall be sent to the decree-holder. Where the sale officer so directs, the attachment shall also be notified by public proclamation in the Official Gazette;

(v) proclamation of sale shall be published by affixing a notice in the office of the Registrar or Registrar of the region and taluk or sub-taluk office at least thirty days before the date fixed for the sale and also by beat of tom-tom in the village on two consecutive days previous to the date of sale and on the date of sale prior to the commencement of the sale, such proclamation shall, where

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attachment is required before sale be made after the attachment has been effected. Notice shall also be given to the decree-holder and the defaulter. The proclamation shall state the time and place of sale and specify as fairly and accurately as possible—

(a) the property to be sold;

(b) any encumbrance to which the property is liable;

(c) the amount for recovery of which the sale is ordered; and

(d) every other matter which the sale officer considers material for a purchaser to know in order to judge the nature and value of the property.

(vi) when any immovable property is sold under these rules, the sale shall be subject to the prior encumbrances, on the property, if any. The decree-holder shall, when the amount for the realisation of which the sale is held exceeds Rs. 100 furnish to the sale officer within such time as may be fixed by him or by the Registrar or the Registrar of the region, an encumbrance certified from the Registration Department for a period of not less than twelve years prior to the date of attachment of the property sought to be sold or in cases falling under the proviso to sub-rule (3) of rule 74 prior to the date of the application for execution. The time for the production of encumbrance certificate may be extended at the discretion of the sale officer or the Registrar or the Registrar of the region as these case may be. The sale shall be by public auction to the highest bidder, provided that it shall be open to the sale officer to decline to accept the highest bid where the price offered appears to be unduly low or for other reasons and provided also that the Registrar or the Registrar of the region or the sale officer may in his discretion, adjourn the sale to a specified day and hour, recording his reasons for such adjournment. Where a sale is so adjourned for a longer period than seven days, a fresh proclamation under clause (v) shall be made, unless the defaulter consents to waive it. The sale shall be held after the expiry of not less than thirty days calculated from the date on which notice of the proclamation was affixed in the office of the Registrar or the Registrar of the region and the commune officer whichever is later. The time and the place of sale shall be fixed by the Registrar or Registrar of the region and the place of sale shall be the

village where the property to be sold is situated or such adjoining prominent place of public resort as may be fixed by the Registrar:

Provided that in cases where an encumbrance certificate is not obtained owing to the destruction of the connected records an affidavit from the village karnam in regard to the encumbrances, known to him supported by a certificate from the registration department than an encumbrance certificate cannot be granted owing to he destruction of connected records, shall be accepted in the place of an encumbrance certificate.

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(vii) A sum of money equal to 15 per cent of the price of the immovable property shall be deposited by the purchase in the hands of the sale officer at the time of the purchase, and in default of such deposit, the property shall forthwith be resold:

Provided that, where the decree-holder is the purchaser and is entitled to set-off the purchase money under clause (xi) the Sale Officer shall dispense with requirements of this clause.

(viii) The remainder of the purchse money and the amount required for the general stamp for the certificate under sub-rule (5) of rule 77 shall be paid within 15 days from the date of sale :

Provided that the time for payment of the cost of the stamp may, for good and sufficient reasons, be extended at the discretion of the Registrar or the Registrar of the region up to thirty days from the date of sale:

Provided further that in calculating the amount to be paid under this clause the purchase shall have the advantage of any set-off to which he may be entitle under clause (xi);

(ix) In default of payment within the period mentioned in clause (viii), the deposit may, if the Registrar thinks, fit, after defraying the expenses, of the sale be forfeited to the Government and the defaulting purchaser shall forfeit all claims to the property or to any part of the sum for which it may subsequently be sold.

(x) Every resale of immovable property in default of payment of the amount mentioned in clause (viii) within the period allowed for such payment shall be made after the issue of fresh proclamation in the manner and for the period hereinbefore specified for the sale.

(xi) Where a decree-holder purchases the property, the purchase money and the amount due on the decree shall be set off against one another, and the sale officer shall enter up satisfaction of the decree in whole or in part, accordingly.

(xii) Where prior to the date fixed for sale, the defaulter or any person acting on his behalf or any person claiming an interest in the property sought to be sold tenders payment of the full amount due together with interest, batta or other expenses incurred in bringing the property to sale, including the expenses of attachment, if any, officer shall forthwith release the property after canceling, where the property has been attached, the order of attachment.

76. **Application to set aside sale on deposit**.— (1) Where immovable property has been sold by the sale officer, any person either owning such property or holding an interest there in by virtue of a title acquired before such

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sale may apply to have the sale set aside on his depositing with the Registrar or Registrar of the region: —

(a) for payment to the purchaser, a sum equal to 5 per cent of the purchase money; and

(b) for payment to the decree-holder, the amount of arrears specified in the proclamation of sale as that for recovery of which the sale was ordered together with interest

thereon and the expenses of attachment, if any, and sale and other costs due in respect of such amount, less any amount which may since the date of such proclamation have been received by such decree –holder.

(2) If such deposit and application are made within thirty days from the date of sale, the Registrar shall pass an order setting aside the sale and shall repay to the purchaser, the purchase money so far as it has been deposited, together with the 5 per cent deposited by the applicant:

Provided that if more persons than one have made deposit and application under this rule, the application of the first depositor to the officer authorised to set aside the sale shall be accepted.

(3) If a person applies under rule 77 to set aside the sale of immovable property, he shall not be entitled to make an application under this rule.

77. **Application to set aside sale on ground of irregularity or fraud**.— (1) At any time within thirty days from the date of the sale of immovable property, the decree-holder or any person entitle to share in a rateable distribution of the assets or whose interests are effected by the sale, may apply to the Registrar or the Registrar of the region to set aside the sale, on the ground of a material irregularity or mistake or fraud in publishing or conducting it:

Provided that no sale shall be set aside on the ground aforesaid unless the said Registrar is satisfied that the applicant has sustained substantial injury by reason of such irregularity, mistake or fraud.

(2) If the application be allowed, the said Registrar shall set aside the sale and may direct a fresh one.

(3) On the expiration of thirty days from the date of sale, if no application to have the sale set aside is made under rule 76 or under sub-rule (1) of this rule or if such application has been made and rejected, the said Registrar shall make an order confirming the sale:

Provided that if he shall have reason to think that the sale ought to be set aside notwithstanding that no such application has been made or on grounds other than those alleged in any application which has been made and rejected, he may after recording his reasons writing set aside the sale.

(4) Whenever the sale of any immovable property is not so confirmed or is set aside, the deposit or the purchase money as the case may be, shall be returned to the purchaser.

(5) After the confirmation of any such sale, the said Registrar shall grant a certificate of sale bearing his seal and signature to the purchaser.

(6) Such certificate shall state the property sold and the name of the purchaser, and it shall be conclusive evidence of the fact of the purchase in all courts and tribunals, where it may be necessary to prove it and no proof of the seal or signature of the Registrar or the Registrar of the region shall be necessary unless the authority before whom it is produced shall have reason to doubt its genuineness.

(7) An order made under this rule shall subject only to the provisions 141 be final and shall not be liable to be questioned in any suit or legal proceeding.

78. **Delivery of possession**.— Where any lawful purchaser of immovable property is resisted and prevented by any person other than a person not being the defaulter claiming in good faith to be in possession of the property on his own account, from obtaining possession of the immovable property purchase, any court of competent jurisdiction on application and production of the certificate of sale provided for by rule 77 shall cause the

proper process to be issued for the purpose of putting such purchaser in possession in the same manner as if the immovable property purchased had been decreed to the purchase by a decision of the court.

79. **Sale of immovable property to be proportionate to the amount due**.— The sale officer may sell the whole or any portion of the immovable property of a defaulter in discharging of money due provided always that so far as may be practicable, no larger section or portion of the immovable property shall be sold than may be sufficient to discharge the amount due with interest, and expenses of attachment, if any, and sale.

80. **Private alienation of property after attachment to be void**.— Where an attachment has been made under these rules, any private transfer or delivery of the property attached or of any interest therein and any payment to the defaulter of any debt dividend or other moneys contrary to such attachment shall be void as against all claims enforceable under the attachment.

Explanation: For the purpose of this rule claims enforceable under an attachment include claims for the rateable distribution of assets under rule 86.

81. **Process-servers to be paid batta**.— Persons employed in serving notices or in other process under these rules shall be entitled to batta at such rates as may from time to time fixed by the Registrar.

82. **Batta, Interest and other charges recoverable from sale proceeds**.— Where the cost and charges incurred in connection with attachment and sale of movable property or the attachment and sale or sale without attachment of immovable property under these rules exceeds the amount of the cost deposited by the decree-holder under rule 67, such excess shall be deducted from the sale proceeds of the property sold or the moneys paid by the defaulter as the case may be, and the balance shall be made available to the decree-holder.

83. **Receipts for payment of amount due**.— Every person making a payment towards any money due for the recovery of which application has been made under these rules shall be entitled to receipt for the amount signed by the sale officer or other officer empowered by the Registrar or the Registrar of the region in the behalf; such receipt shall state the name of the person making the payment and the subject-manner in respect of which the payment is made.

84. **Investigation of claims and objections to attachment of property**. — (1) Where any claim is preferred to, or any objection is made to the attachment of any property attached under these rules on the ground such that property is not liable to such attachment, the sale officer shall investigate the claim or objection and dispose of it on merits:

Provided that no such investigation shall be made when the sale officer, considers that the claim of objection is frivolous.

(2) Where the property to which the claim or objection relates has been advertised for sale, the sale officer may postpone the sale pending the investigation of the claim or objection.

(3) Where a claim or an objection is preferred, the party against whom an order is made may institute a suit wihin six months from the date of the order to establish the right which he claims to the property in dispute but, subject to the result of such suit, if any, the order shall be conclusive.

(4) (a) Any deficiency of price which may happen on a resale held under clause (xvi) of rule 70 or clause (vii) or (x) of rule 75 by reason of the purchaser's default, and all expenses attending such resale shall be certified by the sale officer to the Registrar or the Registrar of the region and shall at the instance of either the decree-holder or the defaulter be

recoverable from the defaulting purchaser under the provisions of these rules. The costs, if any, incidental to such recovery shall also be borne by the defaulting purchaser.

(b) Where the property may, on the second sale, fetch higher price than at the first sale, the defaulting purchaser at the first sale shall have no claim to the difference or increase.

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85. **Determination of attachment**.— Where any property has been attached in execution of decree, but by reason of the decree-holders default, the Registrar or the Registrar of the region is unable to proceed further with the application for execution, he shall either dismiss the application or for any sufficient reason adjourn the proceedings to a future date. Upon the dismissal of such application, the attachment shall cease.

86. **Attachment in execution of decree of several courts and rateable distribution of assets**.— (1) Where the sale officer attaches or has attached under these rules any property not in the custody of any court, which is already under attachment made in execution of a decree of any court, such court shall receive and realize such property and shall determine claims thereto and any objections to the attachment thereof:

Provided that where the property is under attachment in the execution of decrees of more courts than one, the court which shall receive or realize such property and shall determine any claim thereto and any objection to the attachment thereof shall be the court of the highest grade, or where there is no difference in grade between such courts, the court under whose decree the property was first attached.

(2) Where assets are held by the sale officer and before the receipt of such assets, demand notice in pursuance of application or execution of decrees against the same defaulters have been received from more than one decree-holder and the decree holders have not obtained satisfaction, the assets after deducting the costs of realisation, shall be rateably distributed by the sale officer among such all decree-holders in the manner provided in section 73 of the Code of Civil Procedure, 1908 (Central Act V of 1908).

87. **Procedure for recovery of sums due to Government**.— The Provisions of rules 67 to 86 shall apply in regard to the recovery of any sum due to the Government from a society or from an officer, former officer, member or past or deceased member of a society in pursuance of a demand issued by the Registrar or by any authority competent to issue such demand including any costs awarded to the Government in proceedings under the Act as if the Government were a decree-holder and the society or officer, former officer, member or past or deceased member of a society, as the case may be was a defaulter, subject to the following modifications, namely: —

(1) The **[R**egistrar**]*** of the region in which the cause of action arose may, of his own motion, take any steps which he may deem suitable in the matter of such recovery* in accordance with the provisions of those rules and without any applications having been made to him in that behalf under those rules.

* Vide Corrigendum G.O. Ms. No.45 dated 03.05.1975.

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(2) It shall not be necessary to deposit any sum by way of costs required by sub-rule (1) of rule 67.

(3) It shall not be necessary for the sale officer to give the decree-holder previous notice, as required by clause (i) of rule 70 of the intention to serve the demand notice on the defaulter and in default of payment to distrain his proerty. Nor shall the provisions of clause (ii) of that rule which empowers the sale officer to require the decree-holder to undertake the custody of the distrained property apply.

(4) It shall not be necessary to send a copy of the attachment notice to the decree-holder as required by clause (iv) of rule 75.

(5) It shall not be necessary to give notice of the proclamation of sale to the decree-holder as required by clause (v) of rule 75.

(6) The Registrar shall himself obtain the encumbrance certificate required to be furnished by the decree-holder under clause (vi) of rule 75.

(7) The payments required to be made under clause (b) of sub-rule (1) of rule 76, shall be made to the sale officer on behalf of the decree-holder.

(8) The application referred to in sub-rule (1) of rule 77 shall be made by the sale officer on behalf of the decree-holder.

88. **Authentication of notice of process**.— Save as otherwise provided under the Act or under these rules, every notice of process shall be in writing and authenticated by the seal, if any, of the officer by whom it is issued and shall be signed by such officer or by any person authorised by him in this behalf.

89. **Mode of making attachment before judgment**.— (1) Attachment of property under section 157 shall be made in the manner provided in the foregoing rules of this chapter.

(2) Where a claim is preferred to property attached under sub-rule (1), such claim, shall be investigated in the manner and by the authority specified in the foregoing rules of this chapter.

(3) Where a direction is made for the attachment of any property under sub-rule (1), the Registrar of the region shall order the attachment to be withdrawn, —

(a) When the party concerned furnishes the security required together with security for the cost of the attachment; or

(b) When the Registrar makes an order under sub section (1) of section 82 that the party concerned need not repay or restore any money

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or property or contribute any sum to the assets of the society by way of compensation; or

(c) When the dispute referred to in sub-section (1) of section 84 has been decided against the party at whose instance to attachment was made; or

(d) When the liquidator determines under clause (b) of sub-section (2) of section 128 that no contribution need by the party concerned.

(4) Attachment made under sub-rule (1) shall not affect the rights existing prior to the attachment of persons not parties to the proceedings in connection with which the attachment was made, nor bar any person holding a decree against the person whose property, is attached from applying for the sale of property under attachment in execution of such decree.

(5) Where property is under attachment by virtue of the provisions of this rule and a decree is subsequently passed against the person whose property is attached it shall not be necessary upon an application for execution of such decree to apply for re-attachment of the property.

90. **Application under section 134**.— (1) Every application under section 134 shall be in such form as may be specified by the Registrar and shall be signed by a person authorised by the committee.

(2) No application under sub-rule (1) shall be received unless the society making the application, deposits the necessary costs of sale on a scale fixed by the Registrar.

(3) On receipt of the application referred to in sub-rule (1) the Registrar or the Registrar of the region shall, if he is satisfied that the particulars set forth are correct, prepare a demand notice in duplicate in the form specified by the Registrar, setting forth for the name of the member, past member or the nominee, heir or legal representative of the deceased member, the amount due from him together with the interest and cost, if any, and the description of the property or interest in property for the sale of which the application has been made by the society and calling upon him to remit within seven days from the date of service of the notice, the total amount due under the demand. The sale officer shall serve the demand notice upon the member, past member, or the nominee, heir or legal representative of the deceased member, if he is present or upon some adult male members of his family or upon his authorised agent, or when such service cannot be effected, shall affix a copy of the demand notice on some conspicuous part of his residence or the place where the property subject to the charge is kept. If the member, past member, or nominee, heir or legal representative of the deceased member, fails to pay the debt or outstanding demand within the period

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aforesaid, the Registrar or the Registrar of the region shall proceed to sell the property.

(4) The provisions of rules 67 to 86 shall, in so far as they are not repugnant to the subject or context, apply to sale of the property or interest in the property as if the society which made the application is a decree-holder and the member, past member or the nominee, heir or legal representative of the deceased member is a defaulter.

91. **Procedure in respect of property deposited or entrusted**.— (1) Any property required by the society to be deposited with it or entrusted to its custody under sub-section (3) of section 39 shall, subject to the provisions of this rule, be delivered to an officer of the society authorised by the committee in this behalf after preparing an inventory of such property and such inventory shall be signed by the member, past member or the nominee, heir or legal representative of the deceased member and such officer of the society. The society may, at the instance of the member, past member, or the nominee, heir or legal representative of the deceased member or any person claiming an interest in such property leave the property in-charge of the member, past member or the nominee, heir or legal representative of the deceased member or person, as the case may be, if he enters into a bond in the form specified by the Registrar with one or two sureties for the production of the property whenever called for.

(2) Where such property consists of crops or ungathered produce of the land, the society may either require the member or a past member or the nominee, heir or legal representive of the deceased member to reap and gather the produce in due season and deliver the produce at his own expense for storage in the godown of the society or such other place as it may direct or arrange for reaping, gathering and storage of the produce at the expense of the society. The actual expenditure incurred by the society in connection with such reaping, gathering and storage shall, be defrayed by the member, past member or the nominee, heir or legal representative of the deceased member, upon his redeeming the property or from the proceeds of the sale in the event of being sold.

(3) Where such property consists of cattle or livestock, the society shall not work or make use of them in any manner. The expenses incurred by the society in feeding the cattle or livestock shall be defrayed by the member or past member or the nominee, heir or legal representative of the deceased member upon his redeeming the property or from the proceeds of the sale in the event of its being sold.

(4) Where such property consists of machinery engaged in actual manufacture or is a workshop, godown or place of business actually in use by the member, past member, or the nominees heir or legal representative of the deceased member, the society shall, if the member, past member or the nominee, heir or legal representative of the deceased member as the case may be so desire,

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leave the property, with him on the production of security to the satisfaction of the society either in the shape of unencumbered immovable property or personal surety. Where the member, past member or nominee, heir or legal representative of the deceased member does not furnish security to the satisfaction of the society, the society shall take over the machinery, workshop, godown, or place of business and maintain it until such time the member, past member or the

nominee, heir or legal representative of the deceased member furnishes adequate security or discharge the debt or outstanding demand in respect of which there is a charge on the property. The actual expenses incidental to the management and maintenance of the machinery, workshop, godown or place of business shall be defrayed by the member, past member, or the nominee, heir or legal representative of the deceased member upon his redeeming the property or from the proceeds of the sale on the event of its being sold.

CHAPTER – XI
OFFICERS AND EMPLOYEES OF SOCIETIES

92. **Appointment of Secretary**:— Every financing bank, every credit society with a working capital of not less than rupees one lakh, every mortgage bank which has loans outstanding from it members to the extent of not less than rupees four laksh, and every housing society which has loans outstanding from its members to the extent of not less than rupees five lakhs shall appoint a paid Secretary. The paid secretary shall be disqualified for being appointed as, and for being a member of the committee of the financing bank, the credit society, the mortgage bank or the housing society as the case may be :

Provided that a mortgage bank or a housing society which has appointed a paid secretary under this rule without the previous sanction of the Registrar, dispense with the service of such paid secretary, not withstanding that loans outstanding from its members fall below the limits specified in this rule.

93. **Security to be furnished by paid employees of societies**.— (1) No society shall appoint any person as its paid employee in any category of service without obtaining from him security in such form and according to such standard as the Registrar may fix for such category of service under the society or under the class of societies to which it belongs.

(2) No society shall retain in service any paid employee if, he does not furnish within such time as the Registrar may direct, security in such form and according to such standard as the Registrar may fix for the category of service in which he serves under the society or under class of societies to which it belongs.

(3) The Registrar may, by general or special order exempt any society or class of societies or any category of service under any society or class of societies

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from the provisions of this rule or relax in respect of any paid employee, the provisions of this rule in regard to the form or the standard of security which such employee should furnish.

CHAPTER – XII
LAND DEVELOPMENT BANK

94. **Procedure for distraint and sale of the produce of the mortgaged land and sale of mortgaged property**.— The procedure laid down in rule 70 shall *mutatis mutandis* apply for the distraint and sale of the produce of the mortgaged land and the sale of mortgaged property under section 101

Provided that, in the case of sale of mortgaged property, the notice of demand for the payment of the mortgage money or part thereof, as the case may be, as also the notice for the sale of the mortgage property in the event of payment not being made within the time allowed, shall be served upon the mortgager or each of the mortgagers and also upon the following persons, namely: —

(i) any person who has any interest in, or charge upon the property mortgaged, or in or upon the right to redeem the same, so far as is known to the bank;

(ii) any surety for the payment of the mortgaged debt or any partthereof; and

(iii) any creditor of the mortgager who has in a suit for administration of his estate obtained decree for the sale of the mortgaged property.

The time allowed for payment of the mortgage money or part thereof in the demand notice referred to above, shall be not less than three months after the service of the notice.

95. **Circumstances under which the trustee may take action**:— If a Land Development Bank fails to take action against a defaulter under sections 100 or 101 or sub-section (1) of section 104 within fifteen days from the date of receipt of directions from the Trustee under section 115, the Trustee may himself take the necessary action.

96. **Certificate of purchase**.— The certificate to be granted to a purchaser, under section 108 shall be in the

Form 12.

97. **Certain provisions of rules 75, 76 and 77 to apply to sale of immovable property under chapter X of the Act**. ─ (1) The provisions of clauses

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(v), (vi), (vii), (viii), (ix), (x) and (xii) of Rule 75 and Rules 76 and 77 shall mutatis mutandis apply to the sale of immovable property under chapter X of the Act.

(2) The expense incidental to such sale or attempted sale shall be calculated in accordance with the scales laid down in that behalf by the Registrar, form time to time.

98. **Sale of immovable property by a land development bank**.─ (1) The Land Development Bank, which has purchased any immovable property, sold under chapter X of the Act shall, unless otherwise directed by the Trustee, use its best endeavour to sell the property as early as possible to the best advantage of the bank. The sale shall be effected by public auction within a period of six months from the date of purchase or within such further period as may be permitted by the Trustee.

(2) The date and the place of such public auction shall previously be notified not less than thirty days by─

(a) advertising the sale of property with full details in one or more newspapers having local circulation;

(b) proclamation of sale by beat of tom-tom in the village where the property is situated;

(c) publication of sale **[**notice*] at─

(i) some conspicuous place of the connected village; (ii) the office of the Land Development Bank;

(ii) the office of the Registrar of Co-operative societies. The sale shall be subject to confirmation by the Registrar.

CHAPTER – XIII
LIFT IRRIGATION SOCIETIES

99. **Extent of land for purposes of section 118 (2)**.─ The extent of land for the purpose of clause (2) of section 118 shall be two hectares.

100. **Declaration to be made by members of lift irrigation society**.— The declaration to be made under clause (a) of sub-section (1) of section 120 shall be in

Form No. 13.

101. **Execution of agreement in favour of lift irrigation society**.— The agreement referred to in sub-section (1) of section 121 shall, in addition to the matters mentioned in the sub-section, specify that the lift irrigation society shall have the right to decide—

* Vide Corrigendum G.O. Ms. No. 45 dated 3rd May, 1975.

101. **Execution of agreement in favour of lift irrigation society**.— The agreement referred to in sub-section (1) of section 121 shall, in addition to the matters mentioned in the sub-section, specify that the lift irrigation society shall have the right to decide—

(i) the crop or crops that may be raised on the land; and (ii) the method of cultivation that may be adopted.

102. **Conditions for withdrawal of membership of a lift irrigation society**.— Any lift irrigation society may permit any member of that society to withdraw his membership if he—

(i) has paid his entire share of the capital expenditure and the maintenance of charges inclusive of penal interest, if any, for providing supply of water till the date of his withdrawal of his membership;

(ii) has repaid in full the amounts outstanding against him and due to the society including the interest, if any, up to the date of recovery in respect of loans borrowed from the lift irrigation society;

(iii) is otherwise eligible for the withdrawal of membership from the society according to its by-laws:

Provided that not less than five years have elapsed since he has become a member of the lift irrigation society.

CHAPTER – XIV
APPEAL, REVISION AND REVIEW

103. **Procedure regarding the disposal of appeal by the tribunal**.— (1) The proceedings of a Tribunal shall be summary and shall be governed as far as practicable by the provisions of the Code of Civil Procedure, 1908 (Central Act V of 1908).

(2) The fees payable in respect of every appeal to Tribunal shall be rupee one.

(3) The fees payable for, serving and executing-processes issued by the Tribunal shall be at the rates specified below:

Details of process	Fees payable *for each summons or notice* Rs. P.
(a) When sent by registered post for each defendant,	1.50

respondent or witness

(b) When served by an officer of court or sent by post to any other court for service:

(i) on a defendant, respondent or witness	1.50
(ii) on every additional defendant, respondent or witness residing in the same village, if process be applied for at the same time	0.75

(c) When handed over to party for service on a witness or witnesses.

One half of the fee payable under clause (b) (ii) above.

(4) In cases in which there are several minor defendants or respondents represented by a single guardian, there shall be a single service service upon such guardian and only one fees shall be chargeable therefor.

104. **Procedure regarding appeals other than those to the tribunal and application for revision**. ― (1) An appeal under sub-section (2) of section 140 or an application for revision under sub-section (1) of section 141 shall be either presented in person or sent by registered post to the appellate or revising authority.

(A) The fee payable in respect of the appeal or the application for revision shall be at the rates specified below: ―

	Rs.P.
(i) Appeal when presented to Government	5.00
(ii) Appeal when presented to the Registrar or application for revision presented to the Government or the Registrar in respect of cases other than those falling under item (iii)	2.00
(iii) Application for revision of a decision, order or award falling under clause (i) of the proviso to sub-section (1) of section 140 when presented to the Government or the Registrar	100.00

(2) The appeal or application for revision shall be in the form of a memorandum and shall be accompanied by the original or a certified copy of the order appealed against or sought to be revised.

(3) Every appeal or application for revision shall―

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(a) specify the name and address of the appellant or applicant and also the name and address of the respondent or respondents as the case may be;

(b) state by whom the order appealed against or sought to be revised was made;

(c) set forth concisely and under distinct heads, the grounds of objection to the order appealed against or sought to be revised together with a memorandum of evidence;

(d) state precisely the relief which the appellant or the applicant claims; and (e) give the date of the order appealed against or sought to be revised.

(4) Where an appeal under sub-section (2) of section 140 is preferred after the expiry of two months specified in sub-section (3) of the said section, it shall be accompanied by a petition supported by an affidavit setting forth the fact on which the appellant relies to satisfy the appellant authority that he had sufficient cause for not preferring the appeal within the said period of two months.

(5) On receipt of the appeal or the application for revision the appellate or revising authority shall as soon as possible examine it and ensure that―

(a) the person presenting the appeal or application has the *locus standi* to do so,

(b) it is made within the prescribed time limit; and

(c) it conforms to all the provisions of the Act and these Rules.

(6) The appellate or revising authority may call upon the appellant or applicant for revision to remedy the defects, if any, or furnish such additional information as may be necessary, within a period of fifteen days of the receipt of the notice to do so. If the appellant or the applicant for revision fails to remedy the defects or furnish the additional information called for with the said period the appeal or the revision petition may be dismissed.

(7) The revising authority may, before passing orders under Section 141, obtain from any subordinate officer such further information in regard to the enquiry or the proceedings for the purpose of verifying the regularity of such proceedings or the correctness, legality or propriety of any decision passed or order made therein. The revising authority may also call for and obtain form the parties connected with such enquiry or proceedings such information as is necessary with reference to the examination of the records of enquiry or proceedings and the information obtained from the subordinate officer.

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(8) In the proceedings before the appellate or revising authority, legal practitioners shall not be entitled to appear to represent parties, as a matter of right.

(9) The appellate or revising authority shall on the basis of the enquiry conducted and with reference to the records examined pass such order on the appeal or on the application for revision as may seem just and reasonable.

(10) Every order of the appellate or revising authority under sub-section (2) of section 140, or section 141, as the case may be, shall be in writing and it shall be communicated to the appellate or applicant, to such otherparties as in the opinion of that authority are likely to be affected by the decision or order and to the officer concerned against whose order the appeal or application for revision was made.

105. **Application for review**.— (1) The time within which an application for review may be prepared under sub-section (1) of section 142 shall be three months from the date of the communication to the applicant for review of the order to which the application relates.

(2) The application shall be in the form of a memorandum setting forth concisely and under distinct heads the new and important facts which, after the exercise of due diligence, were not then within the knowledge of the applicant or could not be produced by him when the order was made or mistake or errors apparent on the face of the record or other reasons on the basis of which review is sought. It shall be accompanied by a memorandum of evidence.

(3) The application shall be accompanied by the original or a certified copy of the order to which the application relates. The fees payable in respect of every application shall be rupees two.

(4) No application for review shall be entertained unless it is accompanied by such additional number of copies as there are parties to the original order.

(5) The application shall, so far as it may be necessary, be disposed of by the Tribunal or Registrar or Government in such manner as may be deemed fit, provided that no order prejudicial to any person shall be passed unless such person has been given an opportunity of making his representations.

106. **Execution of orders passed in appeal, revision or review**.— The authority by whom any order passed by the Tribunal, the Registrar or the Government under sections 140, 141 or 142 shall be enforce, shall be the Registrar of the region and the Registrar of the region shall enforce the order as if it were an order passed by him.

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CHAPTER – XV

MISCELLANEOUS

107. **Meeting of societies**.— (1) No general meeting of a society shall be held except at he premises where its office is located or any other public place at the headquarters of such society to which all the members thereof shall have access.

(2) No meeting of the committee shall be held except at premises where its office is located or any other public place within the area of operations of the society to which all the members of the committee shall have access.

108. **Societies which may call for general meetings of other societies**.— For the purpose of the sub-clause (iii) of clause (a) of sub-section (3) of section 31, the apex and central societies shall be the class of societies in relation to the societies affiliated to any apex or, as the case may be, central society.

109. **Procedure for the service of notice**. — All notice issued under the Act or these rules for which no specific mode of service has been prescribed, shall be served in anyone of the following ways. —

(a) by giving or tendering it to such person; or

(b) if such person is not found, by leaving it at his last known place of abode or business or by giving or tendering it to some adult member of his family; or

(c) if the address of such person is known, by sending it to him by post registered; or

(d) if none of the means aforesaid is available, by affixing it in some conspicuous part of his last known place of abode or business.

110. **Fees for granting certified copies of document in the Registrar's office**.— (1) Any person may on payment of fees at rates specified below obtain a copy of any public document [not being a document privileged under sections 123, 124, 129 and 131 of the Indian Evidence Act, 1872, (Central Act 1 of 1872), filed in the office of the Registrar provided that no such person shall be entitled to the supply of such copy unless he satisfies the Registrar that he requires it to seek redress in any matter in which he is aggrieved or for any other lawful purpose.

(2) The fees shall paid in the shape of court fee stamp.

(3) Subject as aforesaid the Registrar may, with the previous approval of the Government, lay down the procedure to be followed in regard to the supply of certified copies of documents.

FEES

Serial number and details *Fees payable*	Rs. P.
(1) Application for the supply of copies of documents	1.50
(2) Fees for copying—	
(i) For every 175 words or fraction thereof of written or typed matter	0.35
(ii) Where copies of documents are supplied in printed forms	The cost of form fixed by the Registrar in consul- tation with the Director of Government Press, Pondi- cherry plus the fees calcu- lated at the rate specified item (i) in respect of the written or typed matter.

111. **Delivery of possession of records and properties of a society**. ─ The certificate issued by the Registrar under sub-section (1) of section 156 shall be in

Form No. 14.

112. **Societies to furnish statistics on an employment to the labour bureau**.— Every society which employs paid establishment shall, if so required by general or special order or the Government, furnish to the Labour Bureau constituted by the Government of India in the Ministry of Labour and Employment statistics connected with the employees at such periodical intervals and in such form and within such time as may be required by the said Bureau.

113. **Power to exempt from rules**.— The Government may, by general or special order, and subject to such conditions as they deem fit, exempt any society or class of societies from any of the provisions of these rules or direct that any such provision shall apply to any society or class of societies with such modifications as may be specified in the order.

Explanation: For the purpose of this rule "society" shall include an unregistered society.

114. **Registrar's power to rescind resolution**.— Notwithstanding anything contained in the bye-laws of a registered society, it shall be competent for the

Registrar to rescind any resolution of any meeting of any society or of the committee of any society, if it appears to him that such resolution is ultra vires of the objects of the society, or is against the provisions of the Act, Rules, by-laws or of any direction or instructions issued by the Registrar, or calculated to disturb the peaceful and orderly working of the society or is contrary to the better interest of the society.

115. Repeal of Puducherry Co-operative societies Rules, 1965.— The Puducherry Co-operative Societies Rules, 1965, are hereby repealed, except as respects things done or omitted to be done before the repeal thereof.

L.SRIDHARAN,
Under Secretary to Government.

FORM No.1

(See rule 3 of the Puducherry Co-operative Societies Rules, 1973)

Form of application under section 8 of the Puducherry CQ-operative Societies Act, 1972 (No. 7 of 1973) for the registration of a Co-operative Society.

1. Name of proposed society:

2. Headquarters of the proposed society:
   (a) Name of village:
   (b) Commune:
   (c) Region:
   (d) The nearest railway station or well known place and distance therefrom:

3. Area of operation of the proposed society (names of villages including hamlets, if any, should be specified):

   Total population in the area of operation mentioned in column 3 above.

   Full postal address of the proposed society.

   Name or names and postal address or addresses of the person or persons (nominated by signatories) to whom communication relating to the registration of the proposed society may be addressed.

   Note: Not more than three applicants may be nominated for the purpose. Whether the liability of members is to be limited or unlimited.

   With this application is sent a copy of the draft by-laws accepted by the applicants and signed by them.

4. The applicants have elected the following persons to the committee, which is to conduct the affairs of the society for a period of three months from the date of registration of the society or for such further period as the Registrar may consider necessary:

   1.
   2.
   3.
   4.
   5.

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   The application shall be singed in the case of a society of which no member is a registered society by atleast twenty-five persons qualified in accordance with the requirements of sub-section (1) of section 6 and sub section (1) of section 20 and who are not disqualified for admission as members under sub-section (1) of section 22. In the case of a society of which a member is a registered society, the application shall be signed by a duly authorised person on behalf of every such registered society and where all the members of the society are not registered societies by twenty-five other members or when there are less than twenty-five other members, by all of them.

5. Application to register a society under the above the name is hereby made by the persons, whose names are given hereunder with their signatures and particulars of age, profession, residence, etc.

Sl. No.	Name of the applicant	Father's name	Age	Profession	Place of residence	Signature or thumb impression
1.						
2.						
3.						
4.						
5.						

FORM No. 2

(See sub-rule (2) of Rule 5 of the Puducherry Co-operative Societies Rules, 1973)

Certificate of registration issued under sub-section (1) of section 9 of the Puducherry Co-operative Societies Act, 1972.

I hereby certify that the ……. in …….. Commune ……. district is registered by me as a Co-operative society under sub-section (1) of section of the Puducherry Co-operative Societies Act, 1972 (No.7 of 1973) on the basis of liability and the by-laws of the aforesaid society are registered under the sub-section (1) of section 9.

A copy of the by-laws of the society as registered by me is appended to this certificate.

Date of registration:

Seal of the office:

Registering Authority.

FORM No. 3

(See Clause (1) of Rule 10 of the Puducherry Co-operative Societies Rules, 1973)

Register of Co-operative Societies registered under the Act.

Registered Sl. No.	Full name and address of the society	Commune	Authorised Share Capital	Date of registration
(1)	(2)	(3)	(4)	(5)

File No.	Class of Society as per Rules	Sub Clause	Initial of Registrar	Date of registration of amendment by-laws	Clause to which amendment relate
(6)	(7)	(8)	(9)	(10)	(11)

Initial of the Registrar	Order No. and date	Page No. and date notifying winding up	No. and date of	Remarks
(12)	(13)	(14)	(15)	(16)

FORM No. 4

(See rule 32 (5) of the Puducherry Co-operative Societies Rules, 1973)

Nomination form for election as a member of the Committee of Co-operative society.

1. Name of the society, to the committee of which election is held.
2. Name of the constituency.
3. Name of the candidate.
   a) Father's or husband's Name
4. ……
   b) Name of the member-society represented
   a) Admission number of the candidate.

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5. ……. b) Admission number of the member-society
   a) Address of the candidate
6. ……
   b) Address of the member society
7. Name of the proposer
   a) Admission number of the proposer
8. ……. b) Name of the member society represented by the proposer.
9. Signature or thumb impression of the proposer
10. Name of the seconder
11. ……. b) Name of the member society represented by the seconder. a) Admission number of the seconder.
12. Signature or thumb-impression of the seconder.

CANDIDATE'S DECLARATION

I declare that I am willing to stand for election.

Signature of the candidate.

Note: (1) Item (a) of columns 4,5,6,7, and 11 shall be answered by individual members of the society to the committee of which election IS held and item (b) of these columns shall be filled in by the delegates of member-societies. The other columns are common.

(2) The delegates shall file a certified copy of the resolution of the member-society electing him as its delegate.

ENDORSEMENT BY THE PERSON AUTHORISED TO RECEIVE THE NOMINATION PAPER'

This nomination was presented to me in person at …… (place)…… (date) at ……. (hours)……. by ……..

Signature.

* * * * *

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FORM No. 5

(See Rule 35 (3) of the Puducherry Co-operative Societies Rules, 1973)

Notice to members, creditors and other persons whose interests wilo be affected by the amalgamation transfer of assets and liabilities/division.

Notice is hereby given as required by Clause (1) of the proviso to sub-section (1) of the section 14 of the Puducherry Co-operative Societies Act, 1972 by the ……..... Society registered under No……. dated …… and having its registered office at ……. to all members/creditors/persons interested that the society, after obtaining the approval of the Registrar and a preliminary resolution to that effect having been passed by a special general meeting of the society held on ……. has decided to amalgamate itself a special general meeting of the society held on …….. has decided to amalgamate itself with ……..... society; divide itself into (1) ……. (2) …….. societies transfer its assets and liabilities to …….. society. The details recording the transfer of liabilities of the society to be amalgamated, transferred or divided are given in schedule given below:

I. Applicable to societies amalgamating or transferring assets and liabilities.

(1) Name of the society or societies;

(2) Statement showing the assets and liabilities of the society (to be enclosed).

(3) Name of members and creditors.

N.B : Information should be given separately in respect of each society which is affected by the amalgamation or transfer of assets and liabilities.

II. Applicable to societies to be divided─ (1) Name of the society ;

(2) Present area of operation.

(3) Statement showing assets and liabilities (to be enclosed). (4) Names of members.

(5) Name of creditors.

III. Applicable to societies which will stand divided─

Particulars of (1) …… Society.

(i) Assests and liabilities which will remain with the society after division (statement to be enclosed).

(ii) Proposed area of operation.

(iii) Names of members who will remain with the society.

(iv) Names of creditors who will remain with the society.

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Particulars of (2)…….. society. (i) Assests and liabilities which will remain with the society after division (statement to be enclosed).

(ii) Proposed area of operation.

(iii) Names of members who will remain with the society.

(iv) Names of creditors who will remain with the society.

Any person whose interest is affected, by the proposed amalgamation, transfer of assets and liabilities or division may send his objections, if any, and give intimation of his

option to become a member of any of the new societies/to continue his membership in the amalgamated society/to demand payment of share or interest or dues to the office of the society within one month from the date of this notice.

(2) If no option is exercised and if no objection is received within one month, it will be assumed that the interested persons have assented to the decision.

Place :

Date : Secretary

(By Order of the Board/Managing Committee)

FORM No. 6

(See rule 36 of the Puducherry Co-operative Societies Rules, 1973)

Application for reconstruction of a society

The Registrar of Co-operative Societies.

…….

In the special general meeting of …….. society at …….. commune …… state…… called for the purpose of reconstruction of the society, the society has approved a compromise/arrangement with its creditors and/or members on the following lines─

1. By reducing the claims of creditors;

2. By reducing the value of the share capital; 3. By re-valuation of assets.

A detailed scheme worked out on the above lines is enclosed with a copy of the resolution passed by the special general meeting of the society referred to above.

We would request that the scheme of reconstruction of the society may please be approved and orders issued to that effect.

President/Member/Creditor/Liquidator,

…….. Society

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FORM No.7

(See rule 60 of the Puducherry Co-operative Societies Rules, 1973) Prescribed under rule 60 (1) and section 40 for the creation of charge by a

Declaration.

Form of declaration to be made under clause (i) of section 40 of the Puducherry Co-operative Societies Act, 1972, creating a charge upon the land or other immovable property or upon the Interest in the land as tenents, of a member of a Co-operative society, of which the majority of the members are agriculturists in respect of any loan which such society may make to the member.

KNOW ALL MEN BY THESE PRESENTS THAT

I/We ……..son/sons of ……. aged about ……. residing at ……. (hereinafter called the borrower/borrowers which expression shall where the context so permits include his/their heirs, successors, executors, legal representatives administrator, and assigns) having been admitted to the membership of ……. society with limited/unlimited liability (hereinafter called the society) and being desirous of borrowing loan from the society do hereby declare and create a charge over the property/interest in the land as tenant/tenants more fully described in the Schedule hereto (hereinafter called the 'charged property'/charged interest as tenant/tenants in favour of the society as required by section 40 of the Puducherry Co-operative Societies Act, 1972, for due repayment of the loan which the society may make to me/us subject to the maximum amount of Rs. ……. (Rupees ……. only) together with interest on such amount of the loan and advances.

The said borrower doth/borrowers do……. hereby declare that he has/they have good title to the charged property/the charged interest as tenant/tenants and further covenant and undertake to make good any loss or damage that may be occasioned by reason of either defect in title or otherwise.

The said borrower/borrowers further declares/declare that there are no encumbrances on the charged property/the charged interest of tenant/tenants other than the charge hereby created; and

The said borrower doth/borrowers do hereby undertake not to alienate the said property/interest as tenant/tenants until this declaration is cancelled with the previous written permission of the society.

The said borrower doth/borrowers do hereby further agree that this declaration is subject to and shall be deemed to include all the conditions under section 40 of the Puducherry Co-operative societies Act.

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THE SCHEDULE

A. Description of property─
(for owners of property)
Nature of the property (land/house)
Village
Taluk
District
Survey number
Boundaries
Extent

B. Description of the interest in land (for tenants)
Description of the land
Village
Taluk
Distict
Survey number
Boundaries
Extent
Name of the owner of the land
Date of deed leasing the right of cultivation
period of lease (from …… to …….)

IN WITNESS WHEREOF I/WE

……. have set ……. my had /our hands

Witness─

(1) Signed
(2) Signed

FORM No. 8

(See rule 60 (2) of the Puducherry Co-operative Societies Rules, 1973)

Register of Declaration made under section 40

Sl.No.	Date of entering in the register	Name of the member	Date of declaration	Name of the village which land is situation
(1)	(2)	(3)	(4)	(5)

Survey No.	AREA			Assessment
	Approximate			
	Hectare	Acre	Rs. P.	Value
(6)	(7)	(8)	(9)	(10)

Encumbrance if any		Amount of	Remarks	Initial of the
Nature	Amount	maximum loan	if any	Secretary
(11)	(12)	(13)	(14)	(15)

FORM No. 9

(See sub-rule 2 of Rule 61 of the Puducherry Co-operative Societies Rules, 1973).

Form of requisition under sub-section (2) of section 45 of the Puducherry Co-operative Societies Act, 1972 from a society to an employer or officer disbursing the salary or wages of a member of society for the deducting of amount due to it from the salary or wages payable to such member.

To

The …….. (the employer or the officer disburing the salary or wages).

Sir,

With reference to the agreement executed by the following members of our society authorising you to deduct from their salary/wages/gratuity the amounts due from them to the society, we request 19 …….. the following amounts due from them to the society. We request that the amount recovered may be remitted to our society.

(Mode of remittance)

Particulars of the amounts to be recovered from them are given below.

Sl.	Other items	Share capital	Loan due

No and Penalty if members

Principal Remarks Name

of

Amount

Amount

(details)

payable

Interest

Interest

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
									President/Secretary For the Co-operative Society



FORM No. 10

(See sub-rule 5 of Rule 61 if the Puducherry Co-operative Societies Rules, 1973)

Form of remittance under sub-section (2) of section 45 of the Puducherry Co-operative societies Act, 1972 of recoveries effected from the members on account of the dues to a Co-operative Society.

To

The President/Secretary, Co-operative Society,

Sir,

With reference to your requisition, dated the ……..for the recovery of amount due to your society for the month of 19 ……l remit herewith Rs. …… (Rupees in words)…… …….. Details of the amount recovered are furnished below:

Name of member	Amount recovered	Date of recovery
(1)	(2)	(3)
Total		
Less cost of remittance if any.		
Net amount remitted.		

Please acknowledge receipt.

Yours faithfully,
Employer or officer disbursing
salary or wages.

FORM No. 11

(See sub-rule 8 of Rule 61 of the Puducherry Co-operative Societies Rules, 1973)

Form of register showing the recovery and remittance of moneys due to co-operative societies maintained under sub-section (3) of section 45 of the Puducherry Co-operative Societies Act, 1972.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Demand	Date of recovery	Amount remitted	Date of remittance	Amount recovered	representative of the society	Name of the Co-operative Societies the amounts in Cols. (4) and (6)]	Date of receipt of demand from the society	Initials of the officer disbursing the salary or wages	Number and date of the official receipt of the society	Name of the employee from whom dues have to be recovered	Remarks there enter the reason for the difference if any, between	Chalan No. and date of remittance or signature of the authorised

FORM No. 12

(See Rule 96 of Puducherry Co-operative Societies Rules, 1973.)

Certificate to be granted to the purchaser of the property under section 108 of the Puducherry co-operative Societies Act, 1972.

This is to certify that the following property.

Sl.	Survey Number	Boundaries	Village	Commune	Region and State	Name of the mortgager who held the land
(1)	(2)	(3)	(4) (5)	(6)	(7)	
7						
8						
9						
10						

Has been sold to ……. at ……. in public auction of the property held under section of the Puducherry Co-operative Societies Act, 1972 on …….. for Rs. ……... …….. and the said …… has been declared to be the purchaser of the said property at the time of the sale. The sale price of the send property was received on ……. by the ……. Land Development Bank Ltd., ……. The sale was confirmed under section …… of the Act and become absolute on ……..

Signature
Sale Officer

FORM No. 13

(See rule 100 of Pondiherry Co-operative Societies Rules 1973)

Form of Declaration

Know all men by these present that I/We ……. aged about (hereinsfter) called member/members) having sepaerately applied for membership of the ……. Lift irrigation Co-operative Societies Ltd., No…… a society registered under the Puducherry Co-operative Societies Act, 1972 and hereinafter called "the society" authorises/authorise the society to mortgage my/our lands more fully described in the Schedule hereto in favour of …… for the due repayment of the loan taken by the society and to the extent of Rs. …… Rupees …….. only). The member/members further declares/declare that he has/they have good title to the lands and there are no encumbrances over them.

THE SCHEDULE

Village
Taluk/Commune
District/State
Survey No.

Extent
Boundaries

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In witnesses whereof I/We……. have et ……
my hand/our hands.

Fitnesses:

1. (Signed)
2. (Signed)

FORM NO. 14

(See rule 111 of the Puducherry Co-operative Societies Rules, 1973)

Form of certificate issued by the Registrar under sub-section (1) of section 156 of the Puducherry Co-operative Societies Act, 1972.

I hereby certify

(1) that the committee of the …… society No. ……... in the …… Commune has been reconstituted at the general meeting of the society held on the …….. and the reconstituted Committee consists of the persons, namely :

……..

…….

……..

(2) that the committee of the …….. society No…… in the ……. region has been superseded under section 83 of the Puducherry Co-operative Societies Act 1972 in the Registrar's Proceedings No……. dated ……. the …….. with effect from the ……...……. and that …….. Special Officer/the managing committee consisting of the following persons has been appointed in those proceedings.

…….

…….

…….

(3) that the ……. society No. ……. in the …… region has been ordered to be wound up under section 126 of the Puducherry Co-operative Societies Act, 1972 in the Registrar's Proceedings No. …… dated the with effect from the …….. and that …… has been appointed as liquidator.

Note: One of the item (1), (2), (3) is to be retained according to needs, deleting the other two.