

# THE MULTI-STATE CO-OPERATIVE SOCIETIES ACT, 2002

[Act 39 of 2002, dt. 3-7-2002]

[As amended by Amendment Act No. 11 of 2023, dt. 3-8-2023]

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An Act to consolidate and amend the law relating to co-operative societies, with objects not confined to one State and serving the interests of members in more than one State, to facilitate the voluntary formation and democratic functioning of co-operatives as people's institutions based on self-help and mutual aid and to enable them to promote their economic and social betterment and to provide functional autonomy and for matters connected therewith or incidental thereto.

Be it enacted by Parliament in the Fifty-third Year of the Republic of India as follows:—

## CHAPTER I PRELIMINARY

### 1. Short title, extent and commencement

(1) This Act may be called the Multi-State Co-operative Societies Act, 2002.

(2) It extends to the whole of India.

(3) If shall come into force on such date<sup>1</sup> as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

### 2. Application

This Act shall apply to—

(a) all co-operative societies, with objects not confined to one State which were incorporated before the commencement of this Act,—

(i) under the Co-operative Societies Act, 1912 (2 of 1912); or

(ii) under any other law relating to co-operative societies in force in any State or in pursuance of the Multi-unit Co-operative Societies Act, 1942 (6 of 1942) or the Multi-State Co-operative Societies Act, 1984 (51 of 1984), and the registration of which has not been cancelled before such commencement; and

(b) all multi-State co-operative societies.

### 3. Definitions

In this Act, unless the context otherwise requires,—

(a) "area of operation" means the area from which the persons are admitted as members;

<sup>2</sup>[(aa) "Authority" means the Co-operative Election Authority established under sub-section (1) of section 45;]

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1 Enforced w.e.f. 19-8-2002 vide GSR 571(E), dt. 16-8-2002.

2 Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

- (b) "board" means the board of directors or the governing body of a multi-State co-operative society, by whatever name called, to which the direction and control of the management of the affairs of the society is entrusted;
- (c) "bye-laws" means the bye-laws for the time being in force which have been duly registered or deemed to have been registered under this Act and includes amendments thereto which have been duly registered or deemed to have been registered under this Act;
- (d) "Central Registrar" means the Central Registrar of Co-operative Societies appointed <sup>1</sup>[as per clause (f) of article 243ZH of the Constitution read with sub-section (1) of section 4] and includes any officer empowered to exercise the powers of the Central Registrar under sub-section (2) of that section;
- (e) "Chief Executive" means a Chief Executive of a multi-State co-operative society appointed under section 51;
- (f) "co-operative bank" means a multi-State co-operative society which undertakes banking business;
- <sup>2</sup>[(fa) "Co-operative Ombudsman" means the Ombudsman appointed by the Central Government under section 85A;]
- (g) "co-operative principles" means the co-operative principles specified in the First Schedule;
- (h) "co-operative society" means a society registered or deemed to be registered under any law relating to co-operative societies for the time being in force in any State;
- <sup>3</sup>[(i) "*co-operative year*", in relation to any multi-State co-operative society or class of such societies, means the year ending on the 31st day of March of the year and where the accounts of such society or class of such societies are, with the previous sanction of the Central Registrar, balanced on any other day, the year ending on such day;]
- (j) "Deposit Insurance Corporation" means the Deposit Insurance and Credit Guarantee Corporation established under section 3 of the Deposit Insurance Corporation Act, 1961 (47 of 1961);
- (k) "federal co-operative" means a federation of co-operative societies registered under this Act and whose membership is available only to a co-operative society or a multi-State co-operative society;
- <sup>2</sup>[(ka) "financial year", in relation to any multi-State co-operative society or class of such societies, means the year ending on the 31st day of March of the year and where the accounts of such society or class of such societies are, with the previous sanction of the Central Registrar, balanced on any other day, the year ending on such day;]
- (l) "general body", in relation to a multi-State co-operative society, means all the members of that society and in relation to a national co-operative society or a federal co-operative means all the delegates of member co-operative societies or delegates of multi-State co-operative societies and includes a body constituted under the first proviso to sub-section (1) of section 38;

<sup>1</sup> Substituted for "under sub-section (1) of section 4" by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

<sup>2</sup> Inserted, *ibid*.

<sup>3</sup> Clause (i) omitted, *ibid*.

- (m) "general meeting" means a meeting of the general body of a multi-State co-operative society and includes special general meeting;
- (n) "member" means a person joining in the application for the registration of a multi-State co-operative society and includes a person admitted to membership after such registration in accordance with the provisions of this Act, the rules and the bye-laws;
- (o) "member co-operative" means a co-operative society or a multi-State co-operative society which is member of a federal co-operative;
- (p) "multi-State co-operative society" means a society registered or deemed to be registered under this Act and includes a national co-operative society and a federal co-operative;
- (q) "multi-State co-operative society with limited liability" means a society having the liability of its members limited by its bye-laws to the amount, if any, unpaid on the shares, respectively, held by them or to such amount as they may, respectively, thereby undertake to contribute to the assets of the society, in the event of its being wound up;
- (r) "national co-operative society" means a multi-State co-operative society specified in the Second Schedule;
- (s) "notification" means a notification published in the Official Gazette <sup>1</sup>[and the expression 'notified' with its cognate meanings and grammatical variations shall be construed accordingly];
- (t) "officer" means a president, vice president, chairperson, vice-chairperson, managing director, secretary, manager, member of a board, treasurer, liquidator, an administrator appointed under section 123 and includes any other person empowered under this Act or the rules or the bye-laws to give directions in regard to the business of a multi-State co-operative society;
- (u) "prescribed" means prescribed by rules;
- (v) "Reserve Bank" means the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934 (2 of 1934);
- (w) "rules" means the rules made under this Act.

## CHAPTER II

### CENTRAL REGISTRAR AND REGISTRATION OF MULTI-STATE CO-OPERATIVE SOCIETIES

#### 4. Central Registrar

(1) The Central Government may appoint a person to be the Central Registrar of Co-operative Societies and may appoint such other persons as it may think fit to assist the Central Registrar.

(2) The Central Government may, by notification, direct that any power exercisable by the Central Registrar under this Act (other than the power of registration of a multi-State co-operative society) shall, in relation to such society, and such matters as may be specified in the notification, be exercisable also by any other officer of the Central Government or of a State Government as may be authorised by the Central Government subject to such conditions as may be specified therein:

PROVIDED that no officer of a State Government shall be empowered to exercise such power in relation to a national co-operative society.

<sup>1</sup> Inserted by the Multi-State Co-operative Societies (Amndt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

**5. Multi-State co-operative societies which may be registered**

(1) No multi-State co-operative society shall be registered under this Act, unless,—

- (a) its main objects are to serve the interests of members in more than one State; and
- (b) its bye-laws provide for social and economic betterment of its members through self-help and mutual aid in accordance with the co-operative principles.

(2) The word “limited” or its equivalent in any Indian language shall be suffixed to the name of every multi-State co-operative society registered under this Act with limited liability.

**COMMENTS**

Under this Act, Multi-State Co-operative Society shall not be registered, unless its main objects are to serve the interests of the members in more than one State and its bye-laws provide for social and economic betterment of its members through self-help and mutual aid in accordance with the co-operative principles.

**6. Application for registration**

(1) For the purposes of registration of a multi-State co-operative society under this Act, an application shall be made to the Central Registrar in such form and with such particulars as may be prescribed.

(2) The application shall be signed,—

- (a) in the case of a multi-State co-operative society of which all the members are individuals, by at least fifty persons from each of the State concerned;
- (b) in the case of a multi-State co-operative society of which the members are co-operative societies, by duly authorised representatives on behalf of at least five such societies as are not registered in the same State; and
- (c) in the case of a multi-State co-operative society of which another multi-State co-operative society and other co-operative societies are members, by duly authorised representatives of each of such societies:

PROVIDED that not less than two of the co-operative societies referred to in this clause, shall be such as are not registered in the same State;

- (d) in the case of a multi-State co-operative society of which the members are co-operative societies or multi-State co-operative societies and individuals, by at least—
  - (i) fifty persons, being individuals, from each of the two States or more; and
  - (ii) one co-operative society each from two States or more or one multi-State co-operative society.

(3) The application shall be accompanied by four copies of the proposed bye-laws of the multi-State co-operative society and the persons by whom or on whose behalf such application is made shall furnish such information in regard to the society as the Central Registrar may require.

**7. Registration**

(1) If the Central Registrar is satisfied—

- (a) that the application complies with the provisions of this Act and the rules;
- (b) that the proposed multi-State co-operative society satisfies the basic criterion that its objects are to serve the interests of members in more than one State;



- (c) that its bye-laws provide for social and economic betterment of its members through self-help and mutual aid in accordance with the co-operative principles;
- (d) that the proposed bye-laws are not contrary to the provisions of this Act and the rules,

he may register the multi-State co-operative society and its bye-laws.

1[(2) Without prejudice to the provisions of sub-section (1), the Central Registrar may register a multi-State co-operative society if the aggregate value of the paid-up capital and provision of reserves along with liquidity, exposure and other prudential norms specified in bye-laws of the proposed multi-State co-operative society in the business of thrift and credit are in accordance with such guidelines as may be prescribed:

PROVIDED that the multi-State co-operative societies registered before the commencement of the Multi-State Co-operative Societies (Amendment) Act, 2023 shall meet such norms within a period of five years from the date of commencement of the said Act:

PROVIDED FURTHER that if the liquidity, exposure, prudential and other parameters of the multi-State credit society do not meet such norms within the period mentioned above, the Central Registrar shall have powers to issue such directions as it deems appropriate to such society to take relevant action:

PROVIDED ALSO that in the case of multi-State co-operative bank, the aggregate value of the paid-up capital and provision of reserves along with liquidity norms provided in the bye-laws shall be such as may be laid down by the Reserve Bank from time to time.

(3) The application for registration shall be disposed of by the Central Registrar within a period of three months from the date of receipt of such application by him:

PROVIDED that the Central Registrar may, for rectification of mistakes, if any, in the application, extend the period of three months with such further period, for reasons to be recorded in writing, not exceeding two months on the request of the applicant.

(4) Where the Central Registrar refuses to register a multi-State co-operative society, he shall communicate the order of such refusal stating therein the reasons for such refusal, to the applicant within the period specified in sub-section (3):

PROVIDED that no order of refusal shall be made, unless the applicant has been given an opportunity of being heard:

PROVIDED FURTHER that if the application for registration is not disposed of within the period specified in sub-section (3) or the Central Registrar fails to communicate the order of refusal within the said period, the application shall be deemed to have been accepted for registration and the Central Registrar shall issue the registration certificate in accordance with the provisions of this Act and the rules made thereunder."

1 Substituted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023. Prior to substitution, sub-sections (2) and (3), read as under:

"(2) The application for registration shall be disposed of by the Central Registrar within a period of four months from the date of receipt thereof by him.

(3) Where the Central Registrar refuses to register a multi-State co-operative society, he shall communicate, within a period of four months from the date of receipt of the application for registration, the order of refusal together with the reasons therefore to the applicant or applicants, as the case may be:

PROVIDED that no order of refusal shall be made unless the applicants have been given a reasonable opportunity of being heard:

PROVIDED FURTHER that if the application for registration is not disposed of within a period of four months specified in sub-section (2) or the Central Registrar fails to communicate the order of refusal within that period, the application shall be deemed to have been accepted for registration and the Central Registrar shall issue the registration certificate in accordance with the provisions of this Act and the rules made thereunder."

**8. Registration certificate**

Where a multi-State co-operative society is registered under this Act, the Central Registrar shall issue a certificate of registration signed by him, which shall be conclusive evidence that the society therein mentioned is duly registered under this Act, unless it is proved that the registration of the society has been cancelled.

**9. Multi-State co-operative society to be body corporate**

(1) The registration of a multi-State co-operative society shall render it a body corporate by the name under which it is registered having perpetual succession and a common seal, and with power to acquire, hold and dispose of property, both movable and immovable, enter into contract, institute and defend suits and other legal proceedings and to do all things necessary for the purpose for which it is constituted, and shall, by the said name, sue or be sued.

(2) All transactions entered into in good faith prior to the registration of a multi-State co-operative society shall be deemed to be its transactions after registration for furtherance of the objects of its registration.

**COMMENTS**

After registration, a Multi-State Co-operative Society becomes a body corporate having perpetual succession and a common seal, and with the power to acquire, hold and dispose of property, both movable and immovable enter into contract, institute and defend suits and other legal proceedings and to do all things necessary for the purpose for which it is constituted.

**10. Bye-laws of multi-State co-operative societies**

(1) Every multi-State co-operative society may make its bye-laws consistent with the provisions of this Act and the rules made thereunder.

(2) In particular, and without prejudice to the generality of the foregoing power, such bye-laws may provide for all or any of the following matters, namely:—

- (a) the name, <sup>1</sup>[address, including e-mail address] and area of operation of the society;
- (b) the objects of the society;
- (c) the services to be provided to its members;
- (d) the eligibility for obtaining membership;
- (e) the procedure for obtaining membership;
- (f) the conditions for continuing as member;
- (g) the procedure for withdrawal of membership;
- (h) the transfer of membership;
- (i) the procedure for expulsion from membership;
- (j) the rights and duties of the members;
- (k) the nature and amount of capital of the society;
- (l) the manner in which the maximum capital to which a single member can subscribe;
- (m) the sources from which the funds may be raised by the multi-State co-operative society;
- (n) the purpose for which the funds may be applied;
- (o) the manner of allocation or disbursement of net profits of the multi-State co-operative society;

<sup>1</sup> Substituted for "address" by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

- (p) the constitution of various reserves;
- (q) the manner of convening general meetings and quorum thereof other than those provided under this Act;
- (r) the procedure for notice and manner of voting, in general and other meetings;
- (s) the procedure for amending the bye-laws;
- (t) the number of members of the board not exceeding twenty-one;
- (u) the tenure of directors, chairperson and other office-bearers of the society, not exceeding five years;
- (v) the procedure for removal of members of the board and for filling up of vacancies;
- (w) the manner of convening board meetings, its quorum, number of such meetings in a year and venue of such meetings;
- (x) the frequency of board meetings;
- (y) the powers and functions of the Chief Executive in addition to those provided under section 52;
- (z) the manner of imposing the penalty;
- (za) the appointment, rights and duties of auditors and procedure for conduct of audit;
- (zb) the authorisation of officers to sign documents and to institute and defend suits and other legal proceedings on behalf of the society;
- (zc) the terms on which a multi-State co-operative society may deal with persons other than members;
- (zd) the terms on which a multi-State co-operative society may associate with other co-operative societies;
- (ze) the terms on which a multi-State co-operative society may deal with organisation, other than co-operative societies;
- (zf) the rights, if any, which the multi-State co-operative society may confer on any other multi-State co-operative society or federal co-operative and the circumstances under which such rights may be exercised by the federal co-operative;
- (zg) the procedure and manner for transfer of shares and interest in the name of a nominee in case of death of a member;
- (zh) the educational and training programmes to be conducted by the multi-State co-operative society;
- (zi) the principal place and other places of business of multi-State co-operative society;
- (zj) the minimum level of services to be used by its members;
- (zk) any other matter which may be prescribed.

#### **11. Amendment of bye-laws of a multi-State co-operative society**

(1) No amendment of any bye-law of a multi-State co-operative society shall be valid, unless such amendment has been registered under this Act.

(2) The amendment to the bye-laws of a multi-State co-operative society shall be made by a resolution passed by a two-third majority of the members present and voting at general meeting of the society.

(3) No such resolution shall be valid unless fifteen clear days' notice of the proposed amendment has been given to the members.

(4) In every case in which a multi-State co-operative society proposes to amend its bye-laws, an application to register such amendments shall be made to the Central Registrar together with—

- (a) a copy of the resolution referred to in sub-section (2);
- (b) a statement containing the particulars indicating—
  - (i) the date of the general meeting at which the amendments to the bye-laws were made;
  - (ii) the number of days' notice given to convene the general meeting;
  - (iii) the total number of members of the multi-State co-operative society;
  - (iv) the quorum required for such meeting;
  - (v) the number of members present at the meeting;
  - (vi) the number of members who voted in such meeting;
  - (vii) the number of members who voted in favour of such amendments to bye-laws;
- (c) a copy of the relevant bye-laws in force with the amendment proposed to be made together with reasons, justifying such amendments;
- (d) four copies of the text of the bye-laws incorporating therein the proposed amendments signed by the officer duly authorised in this behalf by the general body;
- (e) a copy of the notice given to the members and the proposal to amend the bye-laws;
- (f) a certificate signed by the person who presided at the general meeting certifying that the procedure specified in sub-sections (2) and (3) and the bye-laws had been followed;
- (g) any other particular which may be required by the Central Registrar in this behalf.

(5) Every such application shall be made within sixty days from the date of the general meeting at which such amendment to the bye-laws was passed.

(6) The procedure given in sub-sections (2) to (5) of this section shall apply to the amendment of the bye-laws of a co-operative society desiring to convert itself into a multi-State co-operative society as per the provisions of section 22.

(7) If, on receipt of application under sub-section (5), the Central Registrar is satisfied that the proposed amendment—

- (a) is not contrary to the provisions of this Act or of the rules;
- (b) does not conflict with co-operative principles; and
- (c) will promote the economic interests of the members of the multi-State co-operative society,

he may register the amendment within a period of three months from the date of receipt thereof by him.

(8) The Central Registrar shall forward to the multi-State co-operative society a copy of the registered amendment together with a certificate signed by him within a period of one month from the date of registration thereof and such certificate shall be conclusive evidence that the amendment has been duly registered.

(9) Where the Central Registrar refuses to register an amendment of the bye-laws of a multi-State co-operative society, he shall communicate the order of refusal together with the reasons therefor to the Chief Executive of the society in the manner prescribed within fifteen days from the date of such refusal:

PROVIDED that if the application for registration is not disposed of within a period of three months specified in sub-section (7) or the Central Registrar fails to communicate the order of refusal within that period, the application shall be deemed to have been accepted for registration and the Central Registrar shall issue registration certificate in accordance with the provisions of this Act.

#### COMMENTS

No amendment of any bye-law of a Multi-State Co-operative Society shall be valid unless such amendment has been registered under this Act. Amendment to the bye-laws of a Multi-State Co-operative Society shall be made by a resolution passed by a two-third majority of members present and voting at general meeting of society. Such resolution shall not be valid unless fifteen clear days' notice has been given to all the members.

#### **12. When amendment of bye-laws comes into force**

An amendment of the bye-laws of a multi-State co-operative society shall, unless it is expressed to come into operation on a particular day, come into force on the day on which it is registered.

#### **13. Change of name**

(1) A multi-State co-operative society may, by an amendment of its bye-laws, change its name but such change shall not affect any right or obligation of the multi-State co-operative society or of any of its members or past members, and any legal proceedings which might have been continued or commenced by or against the multi-State co-operative society by its former name, may be continued or commenced by or against its new name.

(2) Where a multi-State co-operative society changes its name, the Central Registrar shall enter the new name on the register of multi-State co-operative society in place of the former name shall amend the certificate of registration accordingly.

#### **14. <sup>1</sup>[Address]**

Every multi-State co-operative society shall have a principal place of business and an <sup>2</sup>[address, including e-mail address]. Registered in the manner prescribed to which all notices and communications may be sent.

#### **15. Publication of name by multi-State co-operative society**

Every multi-State co-operative society—

- (a) shall paint or affix its name and address of its registered office and keep the same painted or affixed, on the outside of every office or place in which its business is carried on, in conspicuous position, in letters easily legible; and if the characters employed therefor are not those of the language, or of one of the languages in general use in that locality, also in the characters of that language or of one of those languages;
- (b) shall have its name engraved in legible characters on its seal; and
- (c) shall have its name and address of its registered office mentioned in legible characters in all its business letters, in all its bill heads and letter paper, and in all its notices and other official publications; and also have

1 Substituted for "Change of address" by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

2 Substituted for "address", *ibid.*

its name so mentioned in all bills of exchange, hundies, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the multi-State co-operative society, and in all bills of parcels, invoices, receipts and letters of credit of the multi-State co-operative society.

### **COMMENTS**

Every Multi-State Co-operative Society shall paint or affix its name and the address of its registered office and keep the same painted or affixed on the outside of every office or place in which its business is carried on in conspicuous position, in legible letters and if the characters employed therefor are not those of the language or of one of the languages in general use in that locality also in the characters of that language or one of those languages. Every Multi-State Co-operative Society shall have its name engraved in legible characters on its seal and it shall have its name and the address of its registered office and other official publications, in all its business letters in all its bill heads and letter paper, and in all its notices and other official publications, and also have its name so mentioned in all bills of exchange, hundies, promissory notes, endorsements, cheques and order for money or goods purporting to be signed by or on behalf of the Multi-State Co-operative Society, and in all bills of parcels, invoices, receipts and letters of credit of the Multi-State Co-operative Society.

### **16. Liability**

(1) No multi-State co-operative society with unlimited liability shall be registered after the commencement of this Act:

PROVIDED that where a multi-State co-operative society with unlimited liability was functioning before the commencement of this Act, such a society shall exercise the option within a period of one year from such commencement either to continue to function as such or to convert itself into a multi-State co-operative society with limited liability by following the procedure specified in sub-sections (2) to (4).

(2) Subject to the provisions of this Act and the rules, a multi-State co-operative society may, by an amendment of its bye-laws, change the extent of its liability.

(3) When a multi-State co-operative society has passed a resolution to change the extent of its liability, it shall give notice thereof in writing to all its members and creditors, and, notwithstanding anything contained in the bye-laws or contract to the contrary, any member or creditor shall, during the period of one month from the date of service of the notice upon him, have the option of withdrawing his shares, deposits or loans, as the case may be.

(4) Any member or creditor who does not exercise his option within the period specified in sub-section (3) shall be deemed to have assented to the change.

(5) An amendment of a bye-law of a multi-State co-operative society changing the extent of its liability shall not be registered or shall not take effect until either—

- (a) the assent thereto of all members and creditors has been obtained; or
- (b) all claims of members and creditors who exercise the option referred to in sub-section (3) within the period specified therein have been met in full or otherwise satisfied.

### **17. Amalgamation or transfer of assets and liabilities, or division of multi-State co-operative societies**

(1) A multi-State co-operative society may, by a resolution passed by a majority of not less than two-thirds of the members, present and voting at a general meeting of the society held for the purpose,—

- (a) transfer its assets and liabilities in whole or in part to any other multi-State co-operative society or co-operative society;

- (b) divide itself into two or more multi-State co-operative societies;
- (c) divide itself into two or more co-operative societies.

(2) Any two or more multi-State co-operative societies may, by a resolution passed by a majority of not less than two-thirds of the members present and voting at a general meeting of each such society, amalgamate themselves and form a new multi-State co-operative society.

(3) The resolution of a multi-State co-operative society under sub-section (1) or sub-section (2) shall contain all particulars of the transfer or division or amalgamation, as the case may be.

(4) When a multi-State co-operative society has passed a resolution under sub-section (1) or sub-section (2), it shall give notice thereof in writing to all the members and creditors, and, notwithstanding anything contained in the bye-laws or contract to the contrary, any member or creditor shall, during the period of one month of the date of service of the notice upon him, have the option of withdrawing his shares, deposits or loans, as the case may be.

(5) Any member or creditor who does not exercise his option within the period specified in sub-section (4) shall be deemed to have assented to the proposals contained in the resolution.

(6)(a) A resolution passed by a multi-State co-operative society under this section shall not take effect until the assent thereto of all the members and creditors has been obtained.

(b) The multi-State co-operative society shall make arrangements for meeting in full or otherwise satisfying all claims of the members and creditors who exercise the option within the period specified in sub-section (4).

(7) On receipt of an application for the registration of new societies formed by division in accordance with the resolution passed under sub-section (1) or of a new society formed by amalgamation in accordance with the resolution passed under sub-section (2), the Central Registrar, on being satisfied that the resolution has become effective under sub-section (6) shall, unless for reasons to be recorded in writing he thinks fit to refuse so to do, register the new society or societies, as the case may be, and the bye-laws thereof.

(8) On the issue of an order under sub-section (7), the provisions of section 21 shall, so far as may be, apply to the multi-State co-operative society so divided or the multi-State co-operative societies so amalgamated.

(9) Where a resolution passed by a multi-State co-operative society under this section involves the transfer of any assets and liabilities, the resolution shall, notwithstanding anything contained in any other law for the time being in force, be a sufficient conveyance to vest the assets and liabilities in the transferee without any further assurance.

<sup>1</sup>[(10) Any co-operative society may, by a resolution passed by majority of not less than two-thirds of the members present and voting at a general meeting of such society, decide to merge into an existing multi-State co-operative society:

PROVIDED that such resolution shall be subject to the provisions of the respective State Co-operative Societies Act for the time being in force under which such co-operative society is registered.]

1 Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

### 18. Central registrar to prepare scheme of amalgamation or reorganisation of a co-operative bank in certain cases

When an order of moratorium has been made by the Central Government under sub-section (2) of section 45 of the Banking Regulation Act, 1949 (10 of 1949) in respect of a co-operative bank, the Central Registrar, with the previous approval of the Reserve Bank in writing, may, during the period of moratorium, prepare a scheme—

- (a) for the amalgamation of the co-operative bank with any other co-operative bank; or
- (b) for the reorganisation of the co-operative bank.

### 19. Promotion of subsidiary institution

(1) Any multi-State co-operative society may, by a resolution passed at general meeting by a majority of members present and voting, promote one or more subsidiary institutions, which may be registered under any law for the time being in force, for the furtherance of its stated objects.

(2) Any subsidiary institution promoted under sub-section (1) shall exist only as long as general body of the multi-State co-operative society deems its existence necessary:

PROVIDED that a multi-State co-operative society, while promoting such a subsidiary institution, shall not transfer or assign its substantive part of business or activities undertaken in furtherance of its stated objects.

*Explanation :* For the purposes of this section,—

(a) an institution shall be deemed to be a subsidiary institution if the multi-State co-operative society—

- (i) controls the management or board of directors or members of governing body of such institution; or
- (ii) holds more than half in nominal value of equity shares of such institutions;<sup>1</sup>[or]

<sup>2</sup>[(iii) if one or more members of such multi-State co-operative society, hold whether by themselves or together with subsidiary institution or their relatives, as the case may be, the majority of equity shares in that institution;]

(b) a subsidiary institution shall not include a partnership firm.

(3) The annual reports and accounts of any such subsidiary institution shall be placed each year before general meeting of the promoting multi-State co-operative society.

### 20. Liability of a co-operative bank to Deposit Insurance and Credit Guarantee Corporation

Notwithstanding anything contained in section 17 or any other provision of this Act, where a co-operative bank, being an insured bank within the meaning of the Deposit Insurance and Credit Guarantee Corporation Act, 1961 (47 of 1961) is amalgamated or reorganised and the Deposit Insurance Corporation has become liable to pay to the depositors of the insured bank under sub-section (2) of section 16 of that Act, the bank with which such insured bank is amalgamated or the new co-operative bank formed after such amalgamation, or, as the case may be, the insured bank or transferee bank shall be under an obligation to repay to the Deposit Insurance

1 Word "or" omitted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

2 Clause (iii) omitted, *ibid*.



Corporation in the circumstances, to the extent and in the manner referred to in section 21 of the Deposit Insurance and Credit Guarantee Corporation Act, 1961.

**21. Cancellation of registration certificate of multi-State co-operative societies in certain cases**

(1) Where the whole of the assets and liabilities of a multi-State co-operative society are transferred to another multi-State co-operative society or to a co-operative society in accordance with the provisions of section 17, the registration of the first-mentioned multi-State co-operative society shall stand cancelled and the society shall be deemed to have been dissolved and shall cease to exist as a corporate body.

(2) Where two or more multi-State co-operative societies are amalgamated into a new multi-State co-operative society in accordance with the provisions of section 17, the registration of each of the amalgamating societies shall stand cancelled on the registration of the new society, and each of the amalgamating societies shall be deemed to have been dissolved and shall cease to exist as a corporate body.

(3) Where a multi-State co-operative society divides itself into two or more multi-State co-operative societies or two or more co-operative societies in accordance with the provisions of section 17, the registration of that society shall stand cancelled on the registration of the new societies, and that society shall be deemed to have been dissolved and shall cease to exist as a corporate body.

(4) The amalgamation or division of multi-State co-operative societies shall not in any manner whatsoever affect any right or obligation of the resulting multi-State co-operative society or societies or render defective any legal proceedings by or against the multi-State co-operative society or societies, and any legal proceedings that might have been continued or commenced by or against the multi-State co-operative society or societies, as the case may be, before the amalgamation or division, may be continued or commenced by or against the resulting multi-State co-operative society or societies.

**22. Conversion of a co-operative society into a multi-State co-operative society**

(1) A co-operative society may, by an amendment of its bye-laws, extend its jurisdiction and convert itself into a multi-State co-operative society: PROVIDED that no such amendment of bye-laws of a co-operative society shall be valid unless it has been registered by the Central Registrar.

(2)(a) Every proposal for such amendment of bye-laws shall be forwarded to the Central Registrar in accordance with the provisions contained in sub-section (4) of section 11.

(b) If the Central Registrar, after consulting the Registrars of Co-operative Societies of the States concerned, has satisfied himself that such amendment—

(i) fulfils the requirements of the members being from more than one State;

(ii) is in accordance with the provisions contained in sub-section (4) of section 11,

he may register the amendment within a period of six months from the date of receipt thereof by him:

PROVIDED that no co-operative society shall be deemed to have been converted into a multi-State co-operative society on any ground whatsoever unless such society is registered as a multi-State co-operative society.

(3) The Central Registrar shall forward to the co-operative society a copy of the

registered amendment together with a certificate signed by him and such certificate shall be conclusive evidence that the amendment has been registered.

(4) Where the Central Registrar refuses to register an amendment of the bye-laws of a co-operative society, he shall communicate the order of refusal together with the reasons therefor to the society in the manner prescribed within seven days from the date of refusal.

(5)(a) Once the amendment of bye-laws has been registered by the Central Registrar, the co-operative society shall, as from the date of registration of amendment, become a multi-State co-operative society.

(b) The Central Registrar shall forward to the co-operative society a certificate signed by him to the effect that such society has been registered as a multi-State co-operative society under this Act and also forward a copy of the same to the Registrar of Co-operative Societies of the State concerned.

<sup>1</sup>[(c) the co-operative society shall be deemed to have been de-registered under the law relating to such co-operative society for the time being in force in that State, from the date of the certificate as issued by the Central Registrar and forwarded to such co-operative society, along with a copy of the registered amendment under sub-section (3).]

#### **COMMENTS**

A co-operative society can extend its jurisdiction and convert itself into a Multi-State Co-operative Society through an amendment of its bye-laws. The said amendment of the bye-laws will be valid only if it is registered with the Central Registrar. After consulting the Registrars of co-operative societies of the States concerned, if the Central Registrar has satisfied himself that such amendment fulfils the requirements of the members being from more than one State and is in accordance with the provisions contained in section 11(4), he may register the amendment within a period of six months from the date of receipt thereof by him.

### **CHAPTER III**

#### **REGISTRATION AND FUNCTIONS OF FEDERAL CO-OPERATIVES**

##### **23. Registration of federal co-operative**

(1) Every federal co-operative shall obtain registration certificate in accordance with the provisions of this Act.

(2) Every federal co-operative shall in its general meeting be represented by its member co-operative.

(3) The classification of federal co-operative and other terms and conditions applicable to it shall be such as may be prescribed.

(4) All provisions of this Act, applicable to a multi-State co-operative society shall, as far as may be, apply to a federal co-operative.

##### **24. Functions of federal co-operative**

(1) Subject to the provisions of this Act and any other law for the time being in force, a federal co-operative may discharge the functions to facilitate the voluntary formation and democratic functioning of co-operative societies as federal co-operative or multi-State co-operatives based on self-help and mutual aid.

<sup>1</sup> Substituted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023. Prior to substitution, clause (c) read as under:

“(c) The Registrar of Co-operative Societies referred to in clause (b) shall thereupon make an order directing that the society had, as from the date of registration by the Central Registrar, ceased to be a society under the law relating to co-operative societies in force in that State.”

(2) Without prejudice to the generality of the provisions contained in sub-section (1), the federal co-operative may—

- (a) ensure compliance of the co-operative principles;
- (b) make model bye-laws and policies for consideration of its member co-operative;
- (c) provide specialised training, education and data-base information;
- (d) undertake research, evaluation and assist in preparation of perspective development plans for its member co-operative;
- (e) promote harmonious relations amongst member co-operative;
- (f) help member co-operative to settle dispute among themselves;
- (g) undertake business services on behalf of its member co-operative, if specifically required by or under the resolution of the general body or the board, or bye-laws of a member co-operative;
- (h) provide management development services to a member co-operative;
- (i) evolve code of conduct for observance by a member co-operative;
- (j) evolve viability norms for a member co-operative;
- (k) provide legal aid and advice to a member co-operative;
- (l) assist member co-operative in organising self-help;
- (m) develop market information system, logo brand promotion, quality control and technology upgradation.

#### CHAPTER IV

##### MEMBERS OF MULTI-STATE CO-OPERATIVE SOCIETIES AND THEIR DUTIES, RIGHTS AND LIABILITIES

#### 25. Persons who may become members

(1) No person shall be admitted as a member of a multi-State co-operative society except the following, namely:—

- (a) an individual, competent to contract under section 11 of the Indian Contract Act, 1872 (9 of 1872);
- (b) any multi-state co-operative society or any co-operative society;
- (c) the Central Government;
- (d) a State Government;
- (e) the National Co-operative Development Corporation established under the National Co-operative Development Corporation Act, 1962 (26 of 1962);
- (f) any other corporation owned or controlled by the Government;
- (g) any Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956);
- (h) such class or classes of persons or association of persons as may be permitted by the Central Registrar having regard to the nature and activities of a multi-State co-operative society.

(2) No individual person shall be eligible for admission as a member of a national co-operative society or a federal co-operative.

(3) Any person eligible for membership of a multi-State co-operative society may, on his application, be admitted as a member by such society.

(4) Every application for admission as a member of a multi-State co-operative society shall be disposed of by such society within a period of four months from the

date of receipt of the application, and the decision of such society on the application shall be communicated to the applicant within fifteen days from the date of such decision:

PROVIDED that if the application is not disposed of within the period aforesaid, or the decision is not communicated within a period of fifteen days of the expiry of the aforesaid period of four months, the multi-State co-operative society shall be deemed to have made a decision, on the date of expiry of such period, refusing admission to the applicant.

(5) It shall be the duty of every member of a multi-State co-operative society to promote and protect the interests and objects of such society.

#### **COMMENTS**

An individual competent to contract, any Multi-State Co-operative Society or any co-operative, the Central Govt., a State Govt., the National Co-operative Development Corporation, any other corporation owned and controlled by Govt., any Govt. company, such class or classes of persons or association of persons as may be permitted by the Central Registrar having regard to the nature and activities of a Multi-State Co-operative Society.

#### **26. Nominal or associate member of society**

A multi-State co-operative society may, if provided in its bye-laws, admit a person as nominal or associate member:

Now section 2(45) of the Companies Act, 2013 (18 of 2013).

PROVIDED that no such nominal or associate member shall <sup>1</sup>[\*\*\*] have any interest in the management thereof including right to vote, elect as a director of the board or participate in the general body meetings:

<sup>2</sup>[PROVIDED FURTHER that nominal or associate member can be issued non-voting shares which may not confer any interest in the management of the multi-State co-operative society including right to vote, to be elected as a director of the board or participate in the general body meetings:

PROVIDED ALSO that in case of multi-State co-operative bank, such shares shall be issued in accordance with the instructions issued by the Reserve Bank from time to time.]

#### **27. Educational course for members**

(1) Every multi-State co-operative society shall organise co-operative education programmes for its members, directors and employees.

(2) Every multi-State co-operative society may provide funds for such co-operative education programmes.

#### **COMMENTS**

Every multi-State co-operative society shall organise co-operative education programmes for its members, directors and employees and for that purpose it may provide funds for such co-operative education programmes.

#### **28. Members not to exercise rights till due payment made**

No member of a multi-State co-operative society shall exercise the rights of a member, unless he has made the payment <sup>3</sup>[of all dues to the multi-State co-operative society including the payment in respect of membership or has availed such minimum level of product or services as specified in the bye-laws,] or has acquired such interest in the society as may be specified in the bye-laws.

1 Words "be entitled to subscribe the shares of such society or" omitted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

2 Inserted. *ibid*.

3 Substituted for "to the society in respect of membership," *ibid*.

**29. Disqualification for member of a multi-State co-operative society**

No person shall be eligible for being a member of a multi-State co-operative society if—

- (a) his business is in conflict or competitive with the business of such multi-State co-operative society; or
- <sup>1</sup>[(b) he fails to use the minimum level of the products or services as specified in the bye-laws for two consecutive years; or]
- (c) he has not attended three consecutive general meetings of the multi-State co-operative society and such absence has not been condoned by the members in the general meeting; or
- (d) he has made any default in payment of any amount to be paid to the multi-State co-operative society under the bye-laws of such society.

**30. Expulsion of members**

(1) A multi-State co-operative society may, by resolution passed by a majority of not less than two-thirds of the members present and voting at a general meeting of members held for the purpose, expel a member for acts which are detrimental to the proper working of the society:

PROVIDED that the member concerned shall not be expelled unless he has been given a reasonable opportunity of making representation in the matter.

(2) No member of the multi-State co-operative society who has been expelled under sub-section (1), shall be eligible for re-admission as a member of that society, for a period of <sup>2</sup>[three years] from the date of such expulsion.

**COMMENTS**

A Multi-State Co-operative Society may expel a member for acts which are detrimental to the proper working of the society by passing a resolution through a majority of not less than two-third of the members present and voting at a general meeting of members held for that purpose.

**31. Vote of members**

Every member of a multi-State co-operative society, including a member who is an employee of such society, shall have one vote in the affairs of the society:

PROVIDED that—

- (a) a member who is an employee of such society shall not be entitled to vote—
  - (i) at the election of a member of the board of such society;
  - (ii) in any general meeting convened for framing the bye-laws of such society or any amendments thereto;
- (b) in the case of an equality of votes, the chairperson shall have a casting vote;
- (c) where any of the authorities, multi-State co-operative society or a co-operative society referred to in clauses (b) to (g) of sub-section (1) of section 25 is a member of a multi-State co-operative society, each person nominated by such authority or society, on the board in accordance with the provisions contained in this Act and the rules, shall, have one vote;
- (d) a multi-State co-operative society, the membership of which include co-operative societies or other multi-State co-operative societies, may provide

1 Substituted by the Multi-State Co-operative Societies (Amtd.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023. Prior to substitution, clause (b) read as under:

“(b) he used for two consecutive years the services below the minimum level specified in the bye-laws; or”

2 Substituted for “one year”, *ibid.*

in its bye-laws for an equitable system of voting having regard to the membership of, and the extent of business carried on, by such co-operative societies or multi-State co-operative societies.

### 32. Manner of exercising vote

Every member of a multi-State co-operative society shall exercise his vote in person and no member shall be permitted to vote by proxy:

PROVIDED that a multi-State co-operative society or a co-operative society or any other institution which is a member of any other multi-State co-operative society may, subject to the provisions of sub-section (3) of section 38 and the rules, appoint its representative to vote on its behalf in the affairs of such multi-State co-operative society.

### 33. Restriction on holding of shares

No member, other than the authorities referred to in clauses (c) to (g) of sub-section (1) of section 25 or a multi-State co-operative society or a co-operative society, shall hold more than such portion of the total share capital of the society (in no case exceeding one-fifth thereof) as may be prescribed in the rules or bye-laws of such multi-State co-operative society.

### 34. Restriction on transfer of shares or interest

The transfer of share or interest of a member in the capital of a multi-State co-operative society shall be subject to such conditions as to maximum holding as specified in section 33.

### <sup>1</sup>35. Redemption of shares

(1) The shares of the authorities referred to in clauses (c) and (d) of sub-section (1) of section 25, held in multi-State co-operative societies,—

- (a) shall not be redeemed without the prior approval of such authorities; and
- (b) may be redeemed in such manner as may be agreed upon between the multi-State co-operative society and such authorities.

(2) The shares held in a multi-State co-operative society by any of the authorities referred to in clauses (e) to (g) of sub-section (1) of section 25, shall be redeemed in accordance with the bye-laws of such multi-State co-operative society and in case, where the bye-laws do not contain any provision, in such manner as may be agreed upon between the multi-State co-operative society and such authorities.

(3) The redemption of shares referred to in sub-sections (1) and (2), shall be on the face value of shares.]

### 36. Transfer of interest on death of members

(1) On the death of a member, a multi-State co-operative society may transfer the share or interest of the deceased member to the person nominated in accordance with the bye-laws made in this behalf or, if there is no person nominated, to such

1 Substituted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023. Prior to substitution, section 35 read as under:

#### "35. Redemption of shares

(1) Shares held in multi-State co-operative society by any of the authorities referred to in clauses (c) to (g) of sub-section (1) of section 25 shall be redeemable in accordance with the bye-laws of such multi-State co-operative society and in a case where the bye-laws do not contain any provision in this regard, in such manner as may be agreed upon between the multi-State co-operative society and such authority.

(2) The redemption of shares referred to in sub-section (1) shall be on the face value of the shares."

person as may appear to the board to be the heir or legal representative of the deceased member, or pay to such nominee, heir or legal representative, as the case may be, a sum representing the value of such member's share or interest as ascertained in accordance with the rules:

PROVIDED that no such transfer or payment shall be made except with the consent of the nominee, heir or legal representative, as the case may be.

(2) A multi-State co-operative society shall, unless within six months of the death of the member prevented by an order of a competent court, pay to such nominee, heir or legal representative, as the case may be, all other moneys due to the deceased member from the society.

(3) All transfers and payments made by a multi-State co-operative society in accordance with the provisions of this section shall be valid and effectual against any demand made upon the society by any other person.

### **37. Liabilities of past member and estate of deceased member**

(1) Subject to the provisions of sub-section (2), the liability of a past member or of the estate of a deceased member of a multi-State co-operative society for the debts of the society as they existed,—

- (a) in the case of a past member, on the date on which he ceased to be a member;
- (b) in the case of a deceased member, on the date of his death, shall continue for a period of two years from such date.

(2) Notwithstanding anything contained in sub-section (1), where a multi-State co-operative society is ordered to be wound up under section 86, the liability of a past member who ceased to be a member or of the estate of a deceased member who died within two years immediately preceding the date of the order of winding up, shall continue until the entire liquidation proceedings are completed, but such liability shall extend only to the debts of the society as they existed on the date of cessation of membership or death, as the case may be.

## **CHAPTER V**

### **DIRECTION AND MANAGEMENT OF MULTI-STATE CO-OPERATIVE SOCIETIES**

### **38. Constitution, powers and functions of general body**

(1) The general body of a multi-State co-operative society shall consist of all the members of such society:

PROVIDED that where the bye-laws of a multi-State co-operative society provide for the constitution of a smaller body consisting of delegates of members of the society elected or selected in accordance with such bye-laws, that smaller body shall exercise such powers of the general body as may be prescribed or as may be specified in the bye-laws of the society.

(2) Subject to the provisions of this Act, the rules and the bye-laws, the ultimate authority of a multi-State co-operative society shall vest in the general body of its members:

PROVIDED that nothing contained in this sub-section shall affect the exercise by the board or any officer of a multi-State co-operative society of any power conferred on such board or such officer by this Act or the rules or the bye-laws.

(3) Where in any meeting of the general body or the board of a multi-State co-operative society, a co-operative society or another multi-State co-operative society is to be represented, such co-operative society or other multi-State co-operative society shall be represented in such meeting only through the Chairperson or the President or the Chief Executive or a member of the board of such co-operative society or other multi-State co-operative society, as the case may be, if such member is so authorised by the board and where there is no board of such co-operative society or other multi-State co-operative society, for whatever reasons, through the administrator, by whatever name called, of such co-operative society or other multi-State co-operative society:

PROVIDED that where the bye-laws of a multi-State co-operative society provide for representation of other institutions in any meeting of general body or the board of such multi-State co-operative society, such institutions shall be represented through its nominee.

### 39. Annual general meeting of general body

(1) The board of every multi-State co-operative society shall, within such period as may be prescribed, and not later than six months after the close of the corresponding year, call the annual general meeting in the manner prescribed for the purpose of—

- (a) consideration of the audited statement of accounts;
- (b) consideration of the audit report and annual report;
- (c) consideration of audit compliance report;
- (d) disposal of net profits;
- (e) review of operational deficit, if any;
- (f) creation of specific reserves and other funds;
- (g) approval of the annual budget;
- (h) review of actual utilisation of reserve and other funds;
- (i) approval of the long-term prospective plan and the annual operational plan;
- (j) review of annual report and accounts of subsidiary institution, if any;
- (k) expulsion of members;
- (l) list of employees who are relatives of members of the board or of the Chief Executive;
- (m) amendment of bye-laws, if any;
- (n) formulation of code of conduct for the members of the board and officers;
- (o) election of members of the board, if any;
- <sup>1</sup>[(p) appointment of auditor.]

(2) Where the board of a multi-State co-operative society fails to convene the annual general meeting within the period specified in sub-section (1), the Central Registrar or the person authorised by him in this behalf shall be competent to convene such annual general meeting within a period of ninety days from the date of expiry of the period mentioned in that sub-section and the expenditure incurred on such meeting shall be borne by the society.

(3) At every annual general meeting of a multi-State co-operative society, the board shall lay before the society a statement showing the details of the loans or goods on credit, if any, given to any of the members of the board or to the spouse or a son or daughter of a member of the board during the preceding year or outstanding against him or against such spouse or son or daughter of the member of the board.

1 Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.



**40. Special general meeting of general body**

(1) The Chief Executive may, at any time, on the direction of the board, call a special general meeting of the society and shall call such meeting within one month after the receipt of a requisition in writing from the Central Registrar or from such member or members or a proportion of the total number of members, as may be provided in the bye-laws.

(2) If a special general meeting of a multi-State co-operative society is not called in accordance with the requisition referred to in sub-section (1), the Central Registrar or any person authorised by him in this behalf shall have the power to call such meeting and that meeting shall be deemed to be a meeting called by the Chief Executive in accordance with the provisions of that sub-section and the Central Registrar may order that the expenditure incurred in calling such meeting shall be paid out of the funds of the society or by such person or persons who, in the opinion of the Central Registrar, was or were responsible for the refusal or failure to convene the special general meeting.

**COMMENTS**

At any time on the direction of the Board, the Chief Executive can convene special general meeting of the society and shall call such meeting within one month after the receipt of a requisition in writing from the Central Registrar or from such member or members or a proportion of the total number of members as may be provided in the bye-laws.

**41. Board of directors**

(1) Subject to the provisions of this Act and rules, there shall be a board of directors for every multi-State co-operative society consisting of such number of members as specified in sub-section (3).

(2) The members of a multi-State co-operative society, by a resolution in a general meeting, shall elect directors who shall be members of board.

[(3) The board shall consist of such number of directors not exceeding twenty-one, as may be specified by the bye-laws, out of which one member shall be Scheduled Caste or Scheduled Tribe and two shall be women in the board of multi-State co-operative society consisting of individuals and having members from such class or category of persons:

PROVIDED that the board may co-opt as members of the board having experience in the field of banking, management, co-operative management and finance or specialisation in any other field relating to the objects and activities undertaken by such multi-State co-operative society:

PROVIDED FURTHER that the number of such co-opted members shall not exceed two in addition to twenty-one directors specified in this sub-section.

(4) The co-opted directors referred to in sub-section (3) shall not have the right to vote in any election of the office bearers or be eligible to be elected as office bearers of the board.

1 Substituted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023. Prior to substitution, sub-section (3) read as under:

“(3) The board shall consist of such number of directors as may be specified in the bye-laws:

PROVIDED that the maximum number of directors in no case shall exceed twenty-one:

PROVIDED FURTHER that the board may co-opt two directors in addition to twenty-one directors specified in the first proviso:

PROVIDED ALSO that the functional directors in the national co-operative societies shall also be the members of the board and such members shall be excluded for the purpose of counting the total number of directors specified in the first proviso.”

(5) The functional directors in a multi-State co-operative society shall also be the members of the board and such directors shall be excluded for the purpose of counting the total number of directors specified in sub-section (3).

(6) No director of a multi-State co-operative society shall, as a director, be present in the discussion of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of such society, if he or his relative is directly or indirectly concerned or interested in such contract or arrangement and no relative of any of the sitting directors of the multi-State co-operative society shall be recruited as employee including the Chief Executive of that society.

*Explanation :* For the purposes of this sub-section, the term, "relative" with reference to an individual, includes—

- (a) spouse;
- (b) father (including step father);
- (c) mother (including step mother);
- (d) son (including step son);
- (e) son's wife;
- (f) daughter (including step daughter);
- (g) daughter's husband;
- (h) father's father;
- (i) father's mother;
- (j) mother's father;
- (k) mother's mother;
- (l) son's son;
- (m) son's son's wife;
- (n) son's daughter;
- (o) son's daughter's husband;
- (p) daughter's son;
- (q) daughter's son's wife;
- (r) daughter's daughter;
- (s) daughter's daughter's husband;
- (t) brother (including step brother);
- (u) brother's wife;
- (v) sister (including step sister);
- (w) sister's husband; and
- (x) Hindu undivided family.

(7) Any director of the board who violates the provision of sub-section (6), shall be disqualified for being a member of the board and deemed to have vacated his office from the date of such meeting of the board as is referred to in the said sub-section and such proceedings shall be deemed to be void.]

#### **COMMENTS**

There shall be a board of directors for every Multi-State Co-operative Society consisting such number of directors not exceeding twenty-one subject to the provisions of this Act and rules.

**42. Association of employees in management decision making process**

Every multi-State co-operative society shall devise such procedure, as may be specified in the bye-laws or in the administrative instructions of such society, for the association of the representatives of employees of such multi-State co-operative societies at such level or bodies as may be specified in the bye-laws or the instructions issued in this regard, in the management decision making process.

**43. Disqualifications for being a member of board**

(1) No member of any multi-State co-operative society or nominee of a member, society or a national co-operative society shall be eligible for being chosen as, or for being, a member of the board of such multi-State co-operative society or a national co-operative society, or of any other co-operative society, to which the multi-State co-operative society is affiliated, if such member—

(a) has been adjudged by a competent court to be insolvent <sup>1</sup>[or has been a director of an insolvent company] or of unsound mind;

(b) is concerned or participates in the profits of any contract with the society;

(c) has been convicted for an offence involving moral turpitude;

(d) holds any office or place of profit under the society:

PROVIDED that the Chief Executive or such full-time employee of the society as may be notified by the Central Government from time to time or a person elected by the employees of such society to represent them on the board of such society shall be eligible for being chosen as, or for being, a member of such board;

(e) has been a member of the society for less than twelve months immediately preceding the date of such election or appointment;

(f) has interest in any business of the kind carried on by the society of which he is member;

(g) has taken loan or goods on credit from the society of which he is a member, or is otherwise indebted to such society and after the receipt of a notice of default issued to him by such society, has defaulted—

(i) in repayment of such loan or debt or in payment of the price of the goods taken on credit, as the case may be, within the date fixed for such repayment or payment or where such date is extended, which in no case shall exceed six months, within the date so extended, or

(ii) when such loan or debt or the price of goods taken on credit is to be paid in instalments, in payment of any instalment, and the amount in default or any part thereof has remained unpaid on the expiry of six months from the date of such default:

PROVIDED that a member of the board who has ceased to hold office as such under this clause shall not be eligible, for a period of one year, from the date on which he ceased to hold office, for re-election as a member of the board of the multi-State co-operative society of which he was a member or for the election to the board of any other multi-State co-operative society;

(h) is a person against whom any amount due under a decree, decision or order is pending recovery under this Act <sup>1</sup>[or any other Act specified in the Third Schedule];

<sup>1</sup> Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

- (i) is retained or employed as a legal practitioner on behalf of or against the multi-State co-operative society, or on behalf of or against any other multi-State co-operative society which is a member of the former society.

*Explanation :* For the purposes of this clause, "legal practitioner" has the same meaning as in clause (i) of sub-section (1) of section 2 of the Advocates Act, 1961;

- (j) has been convicted for any offence under this Act;
- (k) is disqualified for being a member under section 29;
- (l) has been expelled as a member under section 30;
- (m) absents himself from three consecutive board meetings and such absence has not been condoned to by the board;
- (n) absents himself from three consecutive general body meetings and such absence has not been condoned by the members in the general body;
- <sup>1</sup>[(o) has been disqualified under sub-section (7) of section 41.]

<sup>1</sup>[(1A) A member who has been a director of the board of any multi-State co-operative society or co-operative bank, where such board has been superseded, shall not be eligible to be elected as director of the board of another multi-State co-operative society or co-operative bank for a period of five years, from the date of such supersession:

PROVIDED that no member shall be declared ineligible under this sub-section unless an opportunity of being heard has been given to such member by the Central Registrar and declaration for ineligibility shall be made only after ascertaining that the member concerned has been responsible by acts of omission or commission leading to such supersession.]

(2) A person shall not be eligible for being elected as member of board of a multi-State co-operative society for a period of five years if the board of such multi-State co-operative society fails—

- <sup>2</sup>[(a) to provide information, documents, personnel, funds or expenses or any other assistance as required by the Co-operative Election Authority for conducting elections under this Act in such manner as may be prescribed; or];
- (b) to call the annual general meeting under section 39; or
- (c) to prepare the financial statement and present the same in the annual <sup>3</sup>[general meeting; or]
- <sup>1</sup>[(d) to make contribution to the co-operative education fund referred to in clause (b) of sub-section (1) of section 63 or the Co-operative Rehabilitation, Reconstruction and Development Fund established under section 63A; or
- (e) to file annual return specified in section 120 within the time specified therein; or
- (f) to get the audit of the society conducted within six months of the close of the financial year to which such account relate:

PROVIDED that before taking any action under this sub-section, he shall be given an opportunity of being heard by the Central Registrar.]

1 Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

2 Substituted *ibid*. Prior to substitution, clause (a) read as under :  
“(a) to conduct elections of the board under section 45; or”

3 Substituted for “general meeting”, *ibid*.

#### 44. Prohibition to hold office of chairperson or president or vice-chairman or vice president in certain cases

(1) No member of a board shall be eligible to be elected as the chairperson or president or vice-chairperson or vice-president of a multi-State co-operative society if such member is a Minister in the Central Government or a State Government.

(2) No member of a board shall be eligible to be elected as the chairperson or president of a multi-State co-operative society, after he has held the office, as such during two consecutive terms, whether full or part:

PROVIDED that a member who has ceased to hold the office of the chairperson or president continuously for one full term shall again be eligible for election to the office as such.

*Explanation :* Where any member holding the office of the chairperson or president at the commencement of this Act is again elected to that office after such commencement, he shall for the purpose of this section, be deemed to have held office for one term before such election.

#### COMMENTS

A member of a Board shall not be eligible to be elected as the chairperson or president or vice-chairperson or vice-president of a Multi-State Co-operative Society if such member is a Minister of the Central Government or State Government. No member of a board shall be eligible to be elected as the chairperson or president of a Multi-State Co-operative Society after he has held the office as such during two consecutive terms.

#### <sup>1</sup>45. Establishment of Co-operative Election Authority

(1) The Central Government shall, by notification, establish an Authority to be known as the Co-operative Election Authority which shall consist of a Chairperson, a Vice-Chairperson and Members not exceeding three to be appointed by the Central Government on the recommendation of the Selection Committee consisting of such persons as may be prescribed.

<sup>1</sup> Substituted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023. Prior to substitution, section 45 read as under:

##### **"45. Elections of members of board**

(1) The conduct of elections to the board of a multi-State co-operative society shall be the responsibility of the existing board.

(2) The election of members of board shall be held by secret ballot in the manner as may be prescribed.

(3) The election of the members of the board shall be held in the general meeting of the members of the multi-State co-operative society.

(4) The elected members of the board shall, if the bye-laws of such society permit, be eligible for re-election.

(5) The term of office of the elected members of the board shall be such, not exceeding five years from the date of election, as may be specified in the bye-laws of a multi-State co-operative society:

PROVIDED that elected members shall continue to hold office till their successors are elected or nominated under the provisions of this Act or the rules or bye-laws and assume charge of their office.

(6) Where the board fails to conduct election of the members of board, the Central Registrar shall hold the election within a period of ninety days from the date when such election became due.

(7) No person shall be eligible to be elected as a member of the board of a multi-State co-operative society unless he is a member of the general body of that society.

(8) The expenses for holding election by the Central Registrar shall be borne by the multi-State co-operative society.

(9) The Central Government may make rules generally to provide for or to regulate matters in respect of election of members of the board."

(2) The head office of the Authority shall be at such place as may be notified by the Central Government.

(3) A person shall not be qualified for appointment as a,—

- (i) Chairperson of the Authority unless he held the post of Additional Secretary to the Government of India or equivalent rank;
- (ii) Vice-Chairperson of the Authority unless he held the post of Joint Secretary to the Government of India or equivalent rank; and
- (iii) Member unless he fulfils such qualification and experience as may be prescribed.

(4) The Chairperson, Vice-Chairperson or Member of the Authority shall hold office for a period of three years from the date on which they enter upon their office or until they attain the age of sixty-five years, whichever is earlier and they shall be eligible for re-appointment:

PROVIDED that in case of appointment of a Government servant as a Chairperson, Vice-Chairperson or a Member, he shall be treated as an *ex officio* Member and he shall continue so long as he holds the office by virtue of which he is a Chairperson, Vice-Chairperson or Member.

(5) The salaries and allowances payable to, and the other terms and conditions of service of the Chairperson, Vice-Chairperson and Members of the Authority, other than the *ex officio* Member, shall be such as may be prescribed.

#### 45A. Power of Chairperson

The Chairperson of the Authority shall have powers of general superintendence and directions in the conduct of the affairs of the Authority and he shall, in addition to presiding over the meetings of the Authority, exercise and discharge such other powers and functions as may be prescribed.

#### 45B. Removal and suspension of Chairperson, Vice-Chairperson and Members

(1) The Central Government may, by order, remove from office the Chairperson, Vice-Chairperson or Member of the Authority, other than *ex officio* Member, if the Chairperson, Vice-Chairperson or Member of the Authority, as the case may be,—

- (a) has been adjudged as an insolvent;
- (b) has been convicted of an offence which, in the opinion of the Central Government involves moral turpitude;
- (c) has been physically or mentally incapable of acting as a Chairperson, Vice-Chairperson or Member of the Authority;
- (d) has acquired such financial or other interests, as is likely to affect prejudicially his function as a Chairperson, Vice-Chairperson or Member of the Authority;
- (e) has so abused his position, as to render his continuance in office prejudicial to the public interest; or
- (f) has engaged at any time during his term of office in any other employment.

(2) The Chairperson, Vice-Chairperson or Member of the Authority shall not be removed from his office except by an order of the Central Government on the ground of his proved misbehaviour or incapacity after the Central Government has, on an inquiry, held in accordance with the procedure prescribed in this behalf by it, come to the conclusion that the Chairperson, Vice-Chairperson or Member of the Authority ought on any such ground to be removed.

(3) The Central Government may suspend the Chairperson, Vice-Chairperson or Member of the Authority in respect of whom an inquiry under sub-section (2) is being initiated or pending until the Central Government has passed an order on receipt of the report of the inquiry.

#### **45C. Disclosure and declaration of interest**

(1) Before appointing any person as Chairperson, Vice-Chairperson or Member, the Central Government shall satisfy itself that the person does not have any such financial or other interest as is likely to affect prejudicially his functions as such Chairperson, Vice-Chairperson or Member.

(2) The Chairperson, Vice-Chairperson or Members shall immediately after entering office and every year thereafter, make a declaration as to the extent of their interest, whether direct or indirect and whether financial or otherwise, in any co-operative society.

(3) The declaration so made under sub-section (2) shall be placed in the public domain by the Authority.

#### **45D. Resignation of Members**

The Chairperson, Vice-Chairperson or Members, other than *ex officio* Members, may, by notice in writing of not less than thirty days under their hand addressed to the Central Government, resign their office and on such resignation being accepted by that Government, shall be deemed to have vacated their office:

PROVIDED that the Chairperson, Vice-Chairperson or Member shall, unless he is permitted by the Central Government to relinquish his office sooner, continue to hold office until the expiry of three months from the date of receipt of such notice or until a person duly appointed as his successor enters upon his office or until the expiry of his term of office, whichever is the earliest.

#### **45E. Filling of casual vacancy**

If a casual vacancy occurs in the office of the Chairperson, Vice-Chairperson or Member of the Authority, whether by reason of his death, resignation or otherwise, such vacancy shall be filled within a period of ninety days by making a fresh appointment in accordance with the provisions of section 45 and the person so appointed shall hold office for the remainder of the term of office for which the Chairperson, Vice-Chairperson or Member of the Authority, as the case may be, in whose place he is so appointed.

#### **45F. Restriction of re-employment**

The Chairperson, Vice-Chairperson and Member of the Authority, on ceasing to hold office shall not, for a period of two years, accept any employment (including as consultant or otherwise) in any co-operative society:

PROVIDED that nothing contained in this section shall apply to any employment under the Central Government or in any State Government or any Corporation established by or under any Central or State Act or a Government Company as defined under clause (45) of section 2 of the Companies Act, 2013 (18 of 2013).

#### **45G. Vacancies, etc., not to invalidate proceedings of Authority**

No act or proceeding of the Authority shall be invalid merely by reason of—

- (a) any vacancy in, or any defect in the constitution of the Authority;
- (b) any defect in the appointment of a person as Chairperson or Member of the Authority; or

- (c) any irregularity in the procedure of the Authority not affecting the merits of the case.

#### **45H Meetings of Authority**

(1) The Authority shall meet at such places and times and shall observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at its meetings), as may be prescribed.

(2) The Chairperson of the Authority shall preside at the meeting of the Authority and if for any reason the Chairperson of the Authority is unable to attend a meeting of the Authority, the Vice-Chairperson of the Authority shall preside at the meeting.

(3) All questions which come up before any meeting of the Authority shall be decided by a majority of votes of the members present and voting and, in the event of an equality of votes, the Chairperson or the Vice-Chairperson of the Authority presiding shall have the right to exercise a second or casting vote.

(4) Save as otherwise provided in sub-section (1), every Member shall have one vote.

#### **45-I Functions of Authority**

The Authority shall discharge the following functions, namely:—

- (i) conduct the elections of the multi-State co-operative society;
- (ii) supervise, direct and control the matters relating to preparation of electoral rolls; and
- (iii) such other functions as may be prescribed.

#### **45J. Elections of members of board**

(1) No person shall be eligible to be elected as a member of the board or office bearer of a multi-State co-operative society, unless he is an active member of the general body of that society.

*Explanation:* For the purposes of this sub-section, the term "active member" means any member—

- (i) availing minimum level of products or services of the society; or
- (ii) attending not less than three consecutive general meetings,

as specified in section 29.

(2) A member of the board or office bearer of a multi-State co-operative society shall cease to be such member or office bearer, if he ceases to be a member of general body of that society.

(3) The election of members of board shall be held by secret ballot in such manner as may be prescribed.

(4) The election of the members of the board shall be held in the general meeting of the members of the multi-State co-operative society and the elected members of the board shall, if the bye-laws of such society permit, be eligible for re-election.

(5) The term of office of elected members of the board and its office bearers shall be five years from the date of election and the term of office bearers shall be co-terminus with the term of the board:

PROVIDED that the board may fill casual vacancies up to one-third of number of elected directors on the board by nomination out of the same class of members in respect of which the casual vacancy has arisen, if the term of office of the board is less than half of its original term:



PROVIDED FURTHER that in case the number of such casual vacancies in the same term of the board exceeds one-third of number of elected directors, such vacancies shall be filled by elections.

(6) The expenses for holding elections by the Authority shall be borne by the multi-State co-operative society in such manner as may be prescribed.

(7) The Central Government may make rules to provide for the powers and the procedure to be followed by the Authority for conduct of election of members of the board.

(8) The Chairperson and the Chief Executive of the multi-State co-operative society shall inform the Authority, six months before the expiry of the term of the existing board, to conduct the elections within time.

(9) The multi-State co-operative society in respect of which the election is being held shall provide such infrastructure, personnel, information, documents or other assistance to the Authority as it may require.

#### **45K. Appointment of Returning Officer and other officers**

(1) The Authority may appoint a Returning Officer to conduct the election of the multi-State co-operative societies and discharge such functions, as directed by the Authority, in such manner as may be prescribed.

(2) The Central Government shall provide such staff and officers to the Authority as may be necessary for the efficient discharge of functions by the Authority under the Act.

(3) The Authority may appoint,—

(a) such observers as it may consider necessary to supervise the elections and discharge such other functions as may be prescribed; and

(b) such number of Assistant Returning Officers as it may consider necessary to assist the Returning Officer.

#### **45L. Power to issue directions**

The Authority may, by general or special order, issue such directions to the board, its members, Chief Executive and other staff of the multi-State co-operative society as may be necessary for the conduct of free and fair elections and the board, its members, Chief Executive and staff of the society shall comply with such directions.’

#### **46. Holding of office in co-operative society**

Notwithstanding anything contained in this Act, no person shall be eligible to hold, at the same time, office of a president or chairperson or vice-president or vice-chairperson on the board of more than two multi-State co-operative societies.

#### **47. Removal of elected members by general body**

An elected member of a board, who has acted adversely to the interests of multi-State co-operative society, may on the basis of a report of the Central Registrar or otherwise be removed from the board upon a resolution of the general body passed at its meeting by a majority of not less than two-third of the members present and voting at the meeting:

PROVIDED that the member concerned shall not be removed unless he has been given a reasonable opportunity of making a representation in the matter

#### **COMMENTS**

An elected member of a Board who has acted adversely to the interest of multi-State co-operative society, may on the basis of a report of the Central Registrar or otherwise be removed

from the Board upon passing of a resolution in the general body meeting by a majority of not less than two-third of the members present and voting at the meeting.

#### 48. Nominee of Central Government or State Government on board

(1) Where the Central Government or a State Government has subscribed to the share capital of a multi-State co-operative society, the Central Government or the State Government, as the case may be, or any person authorised by the Central Government or the State Government shall have right to nominate on the board such number of persons as its members on the following basis, namely:—

- (a) where the total amount of issued equity share capital held by the Central Government or the State Government is less than twenty-six per cent. of the total issued equity share capital, one member of the board;
- (b) where the total amount of issued equity share capital held by the Central Government or the State Government is twenty-six per cent or more but less than fifty-one per cent. of the total issued equity share capital, two members of the board;
- (c) where the total amount of issued equity share capital held by the Central Government or the State Government is fifty-one per cent. or more of the total issued share capital three members of the board :

PROVIDED that the number of such nominated persons shall not exceed one-third or the total number of members of the board:

PROVIDED FURTHER that where the Central Government or a State Government has guaranteed the repayment of principal and payment of interest on debentures issued by a multi-State co-operative society or has guaranteed the repayment of principal and payment of interest on loans and advances to a multi-State co-operative society or has given any assistance by way of grants or otherwise to a multi-State co-operative society, the Central Government or the State Government in this behalf, as the case may be, or any person authorised by the Central Government, shall have the right to nominate person on the board of such a society in the manner as may be prescribed.

(2) A person nominated under this section shall hold office during the pleasure of the Government by which he has been so nominated.

#### 49. Powers and functions of board

(1) The board may exercise all such powers as may be necessary or expedient for the purpose of carrying out its functions under this Act.

(2) Without prejudice to the generality of the foregoing powers, such powers shall include the power—

- (a) to admit members;
- <sup>1</sup>[(aa) to elect the Chairperson and Vice-Chairperson or President and Vice-President of the multi-State co-operative society from amongst the elected members of the board in accordance with the directions of the Authority:  
PROVIDED that the certificate of election shall be issued by the Chief Executive of the multi-State co-operative society after conclusion of resolution by the board;]
- (b) to interpret the organisational objectives and set-up specific goals to be achieved towards these objectives;

<sup>1</sup> Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

- (c) to make periodic appraisal of operations;
- (d) to appoint and remove a Chief Executive and such other employees of the society as are not required to be appointed by the Chief Executive;
- (e) to make provisions for regulating the appointment of employees of the multi-State co-operative society and the scales of pay, allowances and other conditions of service of, including disciplinary action against such employees:  
<sup>1</sup>[PROVIDED that the recruitment of such employees shall be subject to such procedure as may be prescribed.]
- (f) to place the annual report, annual financial statements, annual plan and budget for the approval of the general body;
- (g) to consider audit and compliance report and place the same before the general body;
- (h) to acquire or dispose of immovable property;
- (i) to review membership in other co-operatives;
- (j) to approve annual and supplementary budget;
- (k) to raise funds;
- <sup>2</sup>(l) to sanction loans to the members; and
- (m) to take such other measures or to do such other acts as may be prescribed or required under this Act or the bye-laws or as may be delegated by the general body.

#### 50. Meetings of board

(1) The Chief Executive shall convene the meetings of the board at the instance of the chairperson or president of the multi-State co-operative society:

<sup>1</sup>[PROVIDED that where such Chairperson or President fails to direct the Chief Executive to convene the meeting of the board within the quarter, such Chief Executive shall convene the meeting on the basis of requisition of the Vice-Chairperson or Vice-President or any other Member of the board:

PROVIDED FURTHER that notwithstanding anything contained in the first proviso, the Chief Executive may also convene the meeting on the basis of requisition from at least fifty per cent. of Members of the board;]

(2) The total number of meetings of the board in a year and the venue of meetings as may be specified in the bye-laws:

PROVIDED that the board shall meet at least once in every quarter:

PROVIDED FURTHER that not more than two persons may be invited by the board in its meetings.

<sup>2</sup>[(3) The Chairperson or President, if for any reason, is unable to attend a meeting of the board, the Vice-Chairperson or Vice-President and in the absence of both, any other Member of the board chosen by the Members of the board present from amongst themselves at the meeting, shall preside over the meeting.

(4) The quorum for a meeting of the board of directors of a multi-State co-operative society shall be one-third of its total number of elected directors.]

1 Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

2 Substituted, *ibid.* Prior to substitution, sub-section (3) read as under:

"(3) The Chairperson, or if for any reason, he is unable to attend a meeting of the board, any other member of the board chosen by the members of the board present from amongst themselves at the meeting, shall preside at the meeting."

**COMMENTS**

The Chief Executive shall convene the meetings of the Board at the instance of the chairperson or president of the Multi-State Co-operative Society. The total minimum number of meetings of the Board in a year shall be four.

**51. Chief Executive**

(1) There shall be a Chief Executive, by whatever designation called, of every multi-State co-operative society to be appointed by the board and he shall be a full-time employee of such multi-State co-operative society.

<sup>1</sup>[(1A) No multi-State co-operative society shall appoint or continue the employment of any person as the Chief Executive who—

- (a) is below the age of twenty-one years or has attained the age of seventy years:

PROVIDED that any person above the age of seventy years may be appointed by a special resolution passed by three-fourth of the board members, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;

- (b) is an undischarged insolvent or has any time been adjudged as an insolvent;
- (c) has at any time been convicted by a court of an offence and sentenced for a period of more than six months; or
- (d) does not meet the criteria for 'fit and proper', as determined by the Central Registrar in case of multi-State credit societies or in case of non-credit multi-State societies, does not meet the criteria as Central Government may prescribe in terms of education qualifications and relevant experience.]

(2) The Chief Executive shall be a member of the board and of the Executive Committee and such other committees or sub-committees as may be constituted under sub-section (1) of section 53.

(3) Where the Central Government or the State Government holds fifty-one per cent. or more of the equity share capital or of total shares of the multi-State co-operative society, the salary and allowances payable to and other terms and conditions of service including pension, gratuity and other retirement benefits of the Chief Executive shall be such as may be prescribed.

**52. Powers and functions of Chief Executive**

The Chief Executive shall under the general superintendence, direction and control of the board, exercise the powers and discharge the functions specified below, namely:—

- (a) day-to-day management of the business of the multi-State co-operative society;
- (b) operating the accounts of the multi-State co-operative society and be responsible for making arrangements for safe custody of cash;
- (c) signing on the documents for and on behalf of the multi-State co-operative society;
- (d) making arrangements for the proper maintenance of various books and records of the multi-State co-operative society and for the correct preparation, timely submission of periodical statements and returns in accordance with the provisions of this Act, the rules and the bye-laws;

<sup>1</sup> Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

- (e) convening meetings of the general body of the multi-State co-operative society, the board and the Executive Committee and other committees or sub-committees constituted under sub-section (1) of section 53 and maintaining proper records for such meetings;
- (f) making appointments to the posts in the multi-State co-operative society in accordance with the bye-laws;
- (g) assisting the board in the formulation of policies, objectives and planning;
- (h) furnishing to the board periodical information necessary for appraising the operations and functions of the multi-State co-operative society,
- (i) appoint the person to sue or be sued on behalf of the multi-State co-operative society;
- (j) present the draft annual report and financial statements for the approval of the board within <sup>1</sup>[forty-five days] of closure of the financial year;
- (k) performing such other duties, and exercising such other powers, as may be specified in the bye-laws of the multi-State co-operative society.

### 53. Committees of board

<sup>2</sup>[(1) The board may constitute an Executive Committee, and such other committees or sub-committees as may be specified in the bye-laws of the multi-State co-operative society:

PROVIDED that the board shall constitute—

- (a) an Audit and Ethics Committee;
- (b) a Committee on prevention of sexual harassment at work place.]

(2) The Executive Committee or other committee or sub-committee referred to in sub-section (1) shall perform such functions as are assigned to it in accordance with the bye-laws of the multi-State co-operative society.

### 54. Securing possession of records, etc.

(1) If—

- (a) the records, including registers and books of account of a multi-State co-operative society are likely to be tampered with or destroyed or the funds or other property of such society are likely to be mis-appropriated; or
- (b) the board of a multi-State co-operative society is reconstituted at a general meeting of the society; or
- (c) a multi-State co-operative society is ordered to be wound up under section 86 and the outgoing members of the board refuse to handover charge of the records and property of the society to those having or entitled to receive such charge,

the Chief Executive may apply to the magistrate within whose jurisdiction the multi-State co-operative society functions for securing the records and property of the society.

(2) On receipt of an application under sub-section (1), the magistrate may, by a warrant, authorise any police officer not below the rank of a sub-inspector to enter and search any place where such records and property are kept or are believed to be kept

1 Substituted for "thirty days" by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

2 Substituted, *ibid.* Prior to substitution, sub-section (1) read as under:

"(1) The board may, subject to such conditions as may be prescribed, constitute an Executive Committee and other committees or sub-committees as may be considered necessary:

PROVIDED that other committees or sub-committees, other than the Executive Committee shall not exceed three."

and to seize such records and property; and the records and property so seized shall be handed over to the new board or the liquidator, as the case may be.

(3) Every such search and seizure shall be made in accordance with the provisions of the Code of Criminal Procedure, 1973.

## CHAPTER VI

### PRIVILEGES OF MULTI-STATE CO-OPERATIVE SOCIETIES

#### 55. Charge and set-off in respect of share or contribution or interest of members

A multi-State co-operative society shall have a charge on the share or contribution or interest in the capital and on the deposits of a member or past or deceased member and on any dividend, bonus or profits payable to a member or past member or the estate of a deceased member in respect of any debt due from such member or past member or the estate of such deceased member to the society and may set-off any sum credited or payable to a member or past member or the estate of deceased member in or towards payment of any such debt.

#### 56. Share or contribution or interest not liable to attachment

(1) Subject to the provisions of section 55, the share or contribution or interest of a member or past or deceased member in the capital of a multi-State co-operative society shall not be liable to attachment or sale under any decree or order of any court in respect of any debt or liability incurred by such member, and an official assignee or a receiver under any law relating to insolvency shall not be entitled to, or have any claim on, such share or contribution or interest.

(2) The reserve fund, or the bad debt reserves, or the provident fund of the employees, of a multi-State co-operative society invested by such society in accordance with the provisions of this Act and the bye-laws shall not be liable to attachment under any decree or order of a court in respect of any debt or liability incurred by the society.

#### 57. Register of members

Any register or list of members or shares kept by any multi-State co-operative society shall be prima facie evidence of any of the following particulars entered therein, namely:—

- (a) the date on which any person entered in such register or list became a member; and
- (b) the date on which any such person ceased to be a member.

### COMMENTS

Any register or list of members or shares kept by any Multi-State Co-operative Society shall be prima facie evidence regarding the date on which any person entered in such register or list became a member and the date on which such person ceased to be a member.

#### 58. Admissibility of copy of entry as evidence

(1) A copy of any entry in a book of a multi-State co-operative society regularly kept in the course of its business shall, if certified in such manner as may be prescribed, be received in any suit or legal proceedings as prima facie evidence of the existence of such entry and shall be admitted as evidence of the matters, transactions and accounts therein recorded in every case where, and to the same extent, as the original entry itself if admissible.

(2) No officer of a multi-State co-operative society and no officer in whose office the books of a multi-State co-operative society are deposited after liquidation shall, in any legal proceedings to which the society or the liquidator is not a party, be compelled

to produce any of the society's books or documents the contents of which can be proved under this section, or to appear as a witness to provide the matters, transactions and accounts therein recorded except under an order of a court or an arbitrator made for a special cause.

**59. Exemption from compulsory registration of instruments**

Nothing in clauses (b) and (c) of sub-section (1) of section 17 of the Registration Act, 1908 (16 of 1908), shall apply to—

- (a) any instrument relating to shares in a multi-State co-operative society notwithstanding that the assets of the society consist in whole or in part of immovable property; or
- (b) any debenture issued by any such society and not creating, declaring, assigning, limiting or extinguishing any right, title or interest to or in immovable property, except insofar as it entitles the holder thereof to the security afforded by a registered instrument whereby the society has mortgaged, conveyed or otherwise transferred the whole or part of its immovable property or any interest therein to trustees upon trust for the benefit of the holders of such debentures; or
- (c) an endorsement upon transfer of any debenture issued by any such society.

**60. Deduction from salary to meet multi-State co-operative society's claim in certain cases**

(1) Notwithstanding anything contained in any law for the time being in force, a member of a multi-State co-operative society may execute an agreement in favour of that society providing that his employer disbursing his salary or wages shall be competent to deduct every month from the salary or wages payable to him, such amount as may be specified in the agreement and to pay the amount so deducted to the society in satisfaction of any debt or other demand the member owes to the society.

(2) On the execution of such agreement, the employer disbursing the salary or wages of the members shall, if so required by the multi-State co-operative society, by a requisition in writing and so long as the society does not intimate that the whole of such debt or other demand has been paid, make the deduction in accordance with the agreement and pay the amount so deducted to the society within a period of fourteen days of the date on which deduction has been made, as if it were a part of the salary or wages payable on the day as required under the Payment of Wages Act, 1936 (4 of 1936), and such payment shall be valid discharge of the employer for his liability to pay the amount deducted.

(3) If after the receipt of a requisition made under sub-section (2), the employer disbursing the salary or wages of the member at any time fails to deduct the amount specified in the requisition from the salary or wages payable to the member concerned or makes default in remitting the amount deducted to the multi-State co-operative society, the society shall be entitled to recover any such amount from such employer as arrears of land revenue and the amount so due from such employer shall rank in priority in respect of the liability of such employer equal to that of the salary or wages in arrears.

**61. Government aid to multi-State co-operative societies**

Notwithstanding anything contained in any law for the time being in force, the Central Government or a State Government, on receipt of request from a multi-State co-operative society and with a view to promoting co-operative movement, may,—

- (a) subscribe to the share capital of a multi-State co-operative society;

- (b) give loans or make advances to a multi-State co-operative society;
- (c) guarantee the repayment of principal and payment of interest on debentures issued by a multi-State co-operative society;
- (d) guarantee the repayment of share capital of a multi-State co-operative society and dividends thereon at such rates as may be specified by the Central Government or the State Government;
- (e) guarantee the repayment of principal and payment of interest on loans and advances to a multi-State co-operative society;
- (f) give financial assistance in any other form, including subsidies, to any multi-State co-operative society; and
- (g) provide aid to any other multi-State co-operative society on such terms and conditions as may be prescribed.

## CHAPTER VII

### PROPERTIES AND FUNDS OF MULTI-STATE CO-OPERATIVE SOCIETIES

#### 62. Funds not to be divided by way of profit

(1) No part of the funds, other than net profits, of a multi-State co-operative society shall be divided by way of bonus or dividend or otherwise distributed among its members.

(2) The net profits of a multi-State co-operative society referred to in sub-section (1) in respect of a society earning profits shall be calculated by deducting from the gross profit for the year, all interest accrued and accruing in relation to amounts which are overdue, establishment charges, interest payable on loans and deposits, audit fees, working expenses including repairs, rent, taxes and depreciation, bonus payable to employees under the law relating to payment of bonus for the time being in force, and equalisation fund for such bonus, provision for payment of income-tax and making approved donations under the Income-tax Act, 1961 (43 of 1961), development rebate, provision for development fund, bad debt fund, price fluctuation fund, dividend equalisation funds, share capital redemption fund, investment fluctuation fund, provision for retirement benefits to employees, and after providing for or writing off bad debts and losses not adjusted against any fund created out of profit:

PROVIDED that such society may add to the net profits for the year interest accrued in the preceding years, but actually recovered during the year:

PROVIDED FURTHER that in the case of such multi-State co-operative societies as do not have share capital, the surplus of income over expenditure shall not be treated as net profits and such surplus shall be dealt with in accordance with the bye-laws.

#### 63. Disposal of net profits

(1) A multi-State co-operative society shall, out of its net profits in any year,—

- (a) transfer an amount not less than twenty-five per cent. to the reserve fund;
- <sup>1</sup>[(b) credit annually one per cent. of net profit to co-operative education fund to be maintained by the Central Government in such manner as may be prescribed and the proceeds from such fund shall be used for co-operative education and training through the National Co-operative Union of India and any other agency in such manner as may be determined by the Central Government;]

<sup>1</sup> Substituted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023. Prior to substitution, clause (b) read as under:

“(b) credit one per cent. to co-operative education fund maintained, by the National Co-operative Union of India Limited, New Delhi, in the manner as may be prescribed;”



(c) transfer an amount not less than ten per cent. to a reserve fund for meeting unforeseen losses.

(2) Subject to such conditions as may be prescribed, the balance of the net profits may be utilised for all or any of the following purposes, namely:—

- (a) payment of dividend to the members on their paid-up share capital at a rate not exceeding the prescribed limit;
- (b) constitution of, or contribution to, such special funds including education funds, as may be specified in the bye-laws;
- (c) donation of amounts not exceeding five per cent. of the net profits for any purpose connected with the development of co-operative movement or charitable purpose as defined in section 2 of the Charitable Endowments Act, 1890 (6 of 1890);
- (d) payment of ex gratia amount to employees of the multi-State co-operative society to the extent and in the manner specified in the bye-laws.

#### **<sup>1</sup>[63A. Establishment of Co-operative Rehabilitation, Reconstruction and Development Fund**

(1) The Central Government shall establish a Fund, to be called the Co-operative Rehabilitation, Reconstruction and Development Fund for revival of sick multi-State co-operative societies as referred to in section 63B and for development purposes in such manner as may be determined by it and there shall be credited to such Fund annually by multi-State co-operative societies which are in profit for the preceding three financial years one crore rupees or one per cent. of the net profits of such multi-State co-operative society, whichever is less.

(2) The Central Government shall, by notification, constitute a Committee, consisting of such members as it may deem fit, to administer the Fund, and maintain separate accounts and other relevant records in relation to the Fund in such form as may be specified by the Central Government in consultation with the Comptroller and Auditor-General of India.

(3) The Committee shall spend the money out of the Fund for carrying out the objects for which such Fund has been established.

#### **63B. Rehabilitation and reconstruction of sick societies**

(1) If, at any time, the Central Registrar, is of the opinion that a multi-State co-operative society has become sick, he may, by an order, declare such society as sick co-operative society.

(2) Where a multi-State co-operative society is declared as a sick co-operative society under sub-section (1), the Central Government or any person or agency authorised by it, may prepare a scheme for rehabilitation and reconstruction of the society and hand it over to the society for approval of the general body.

(3) The Central Government may, on the recommendation of the general body and to give effect to the scheme for rehabilitation and reconstruction referred to in sub-section (2), re-organise the board of such society with such persons, having experience in the field of co-operation, management, finance, accountancy and any other area relating to such societies as may be recommended by the general body:

PROVIDED that in respect of a sick multi-State co-operative bank, any scheme for rehabilitation or reconstruction shall be done with the prior approval of the Reserve Bank.

<sup>1</sup> Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

*Explanation :* For the purposes of this section, the expression "sick co-operative society" means a multi-State co-operative society being a society registered under the provisions of this Act which has at the end of any financial year accumulated losses equal to or exceeding total of its paid-up capital, free reserves and surpluses and has also suffered cash losses in such financial year and the financial year immediately preceding such financial year.

### 63C. Financial assistance to multi-State co-operative societies for development

(1) The Central Government may, on an application made by a multi-State co-operative society which has contributed to the Fund for continuous five preceding financial years, grant such financial assistance as it may consider appropriate to the society out of the Fund for infrastructural requirement:

PROVIDED that at least fifty per cent. of the total requirement shall be borne by the multi-State co-operative society and the financial assistance from the Fund shall not exceed more than the fifty per cent. of such requirement.

(2) The Committee constituted under sub-section (2) of section 63A shall examine and recommend to the Central Government for providing the financial assistance to the multi-State co-operative society to such extent and on such terms and conditions as it may consider necessary.]

### 64. Investment of funds

A multi-State co-operative society may invest or deposit its funds—

- (a) in a co-operative bank, State co-operative bank, co-operative land development bank or Central co-operative bank; or
- <sup>1</sup>[(b) in any of the securities issued by the Central Government, State Government, Government Corporations, Government Companies, Authorities, Public Sector Undertakings or any other securities ensured by Government guarantees;]
- (c) in the shares or securities of any other multi-State co-operative society or any co-operative society; or
- (d) in the shares, securities or assets of a subsidiary institution or any other institution; <sup>2</sup>[in the same line of business as the multi State Co-operative society]; or
- <sup>3</sup>[(e) with any other scheduled or nationalised bank.

*Explanation :* For the purposes of this clause, the expression,—

- (i) "scheduled bank" shall have the same meaning as assigned to it in clause

1 Substituted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023. Prior to substitution, clause (b) read as under: "(b) in any of the securities specified in section 20 of the Indian Trusts Act, 1882 (2 of 1882); or"

2 Inserted, *ibid*.

3 Substituted, *ibid*. Prior to substitution, clauses (e) and (f) read as under:

"(e) with any other bank; or

(f) in such other mode as may be provided in the bye-laws.

*Explanation :* For the purposes of clause (e), "bank" means any banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949 (10 of 1949), and includes—

- (i) the State Bank of India constituted under the State Bank of India Act, 1955 (23 of 1955);
- (ii) a subsidiary bank as defined in clause (k) of section 2 of the State Bank of India (Subsidiary Banks) Act, 1959 (38 of 1959);
- (iii) a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970) or a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980)."

- (e) of section 2 of the Reserve Bank of India Act, 1934 (2 of 1934); and
- (ii) "nationalised bank" means a corresponding new bank constituted under sub-section (1) of section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970) and the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980); or
- (f) in such other manner as may be determined by the Central Government.]

#### **65. Restriction on contribution**

No multi-State co-operative society shall make a contribution, either in money or in kind, whether directly or indirectly, to an institution which has an object to furtherance of the interest of a political party.

#### **66. Restriction on loans**

(1) A multi-State co-operative society, other than a co-operative bank, shall not make a loan to a member on the security of his share or on the security of a non-member.

(2) Notwithstanding anything contained in sub-section (1), a multi-State co-operative society may make a loan to a depositor on the security of his deposit.

#### **67. Restrictions on borrowing**

(1) A multi-State co-operative society may receive deposits, raise loans and receive grants from external sources to such extent and under such conditions as may be specified in the bye-laws:

PROVIDED that the total amount of deposits and loans received during any financial year shall not exceed <sup>1</sup>[such multiples as may be determined by the Central Government] of the sum of subscribed share capital and accumulated reserves:

PROVIDED FURTHER that while calculating the total sum of subscribed share capital and accumulated reserves, the accumulated losses shall be deducted.

(2) Subject to the provisions of sub-section (1), a multi-State co-operative society may except funds or borrow funds for the fulfilment of its objects on such terms and conditions as are mutually contracted upon.

(3) A multi-State co-operative society may issue non-convertible debentures or other instruments subject to the provisions of any laws for the time being in force to raise resources for the fulfilment of its objects to the extent of twenty-five per cent. of its paid-up share capital.

#### **68. Restriction on other transactions with non-members**

Save as provided in sections 66 and 67, the transaction of a multi-State co-operative society with any person other than a member, shall be subject to such prohibitions and restrictions, if any, as may be specified in the bye-laws.

#### **69. Contributory provident fund**

(1) Subject to the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (19 of 1952), a multi-State co-operative society having such number or class of employees as may be prescribed, may establish a contributory provident fund for the benefit of its employees to which shall be credited all contributions made by the employees and the society in accordance with the bye-laws of the society.

(2) Monies standing to the credit of any contributory provident funds established by a multi-State co-operative society under sub-section (1) shall not—

1 Substituted for "ten times" by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

- (a) be used in the business of the society;
- (b) form part of the assets of the society;
- (c) be liable to attachment or be subject to any other process of any court or other authority.

## CHAPTER VIII

### AUDIT, INQUIRY, INSPECTION AND SURCHARGE

#### 70. Appointment and remuneration of auditors

(1) Every multi-State co-operative society, shall cause to be audited by an auditor referred to in sub-section (2), its accounts at least once in each year.

(2) Every multi-State co-operative society shall, at each annual general meeting, appoint an auditor or auditors to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting and shall, within seven days of the appointment, give intimation thereof to every auditor so appointed:

<sup>1</sup>[PROVIDED that such auditors or auditing firm shall be appointed from a panel approved by the Central Registrar:

PROVIDED FURTHER that in case of multi-State co-operative banks, multi-State credit societies with deposits of above five hundred crore rupees and multi-State non-credit societies with turnover of above five hundred crore rupees, the auditor shall be appointed from a panel of auditors approved for audit of such societies by the Central Registrar.]

(3) Every auditor appointed under sub-section (1) shall, within thirty days of the receipt from the multi-State co-operative society of the intimation of his appointment, inform the Central Registrar in writing that he has accepted, or refused to accept, the appointment.

<sup>2</sup>[(3A) An auditor appointed under sub-section (2) shall submit the audit of accounts report to the multi-State co-operative society, within six months from the date of closing of the financial year, to which such accounts relate.]

(4) A retiring auditor shall be re-appointed unless—

- (a) he is not qualified for re-appointment;
- (b) he has given the multi-State co-operative society a notice in writing of his unwillingness to be re-appointed;
- (c) a resolution has been passed at the general meeting of members appointing some body instead of him or providing expressly that he shall not be re-appointed; or
- (d) where notice has been given of an intended resolution to appoint some person or persons in the place of a retiring auditor, and by reason of the death, incapacity or disqualification of that person or all those persons, as the case may be, the resolution cannot be proceeded with.

(5) Where at an annual general meeting no auditors are appointed or re-appointed, the Central Registrar may appoint a person to fill the vacancy.

(6) First auditor or auditors of a multi-State co-operative society shall be

<sup>1</sup> Substituted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023. Prior to substitution, proviso read as under: "PROVIDED that such auditor or auditors may be appointed from a panel of auditors approved by the Central Registrar or from a panel of auditors, if any, prepared by the multi-State co-operative society."

<sup>2</sup> Inserted, *ibid*.

appointed by the board within one month of the date of registration of such society and the auditor or auditors so appointed shall hold office until the conclusion of the first annual general meeting:

PROVIDED that—

- (a) the multi-State co-operative society may, at a general meeting, remove any such auditor or all or any of such auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any member of the multi-State co-operative society and of whose nomination notice has been given to the members of the multi-State co-operative society not less than fourteen days before the date of the meeting; and
- (b) if the board fails to exercise its powers under this sub-section, the multi-State co-operative society in the general meeting may appoint the first auditor or auditors.
- (7)(a) The multi-State co-operative society may fill any casual vacancy in the office of an auditor; but while any such vacancy continues, the remaining auditor or auditors, if any, may act:  
<sup>1</sup>[PROVIDED that where such vacancy is caused by the resignation or death of an auditor, the vacancy shall be filled by the board from the panel of auditors from which such auditor was appointed.]
- (b) Any auditor appointed in a casual vacancy shall hold office until the conclusion of the next annual general meeting.
- (8) Any auditor appointed under this section may be removed from office before the expiry of his term by the multi-State co-operative society in general meeting.
- (9) The remuneration of the auditors of a multi-State co-operative society—
  - (a) in the case of an auditor appointed by the board or the Central Registrar may be fixed by the board or the Central Registrar, as the case may be; and
  - (b) subject to clause (a), shall be fixed by the multi-State co-operative society in general meeting or in such manner as the multi-State co-operative society in general meeting may determine.

*Explanation :* For the purposes of this sub-section, any sums paid by the multi-State co-operative society in respect of the auditors' expenses shall be deemed to be included in the expression "remuneration".

<sup>2</sup>[(10) The audit report of the accounts of the national co-operative societies shall be laid before each House of Parliament.]

#### <sup>2</sup>[70A. Concurrent Audit

In case of multi-State co-operative societies,—

- (i) having an annual turnover more than the amount as determined by the Central Government; or
- (ii) having deposit of more than the amount as determined by the Central Government,

the concurrent audit shall be carried out by an auditor appointed from a panel of auditors approved by the Central Registrar.]

1 Substituted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023. Prior to substitution, proviso read as under: "PROVIDED that where such vacancy is caused by the resignation of an auditor, the vacancy shall only be filled by the multi-State co-operative society in general meeting"

2 Inserted, *ibid*.

**71. Provision as to resolutions for appointing or removing auditors**

(1) A special notice shall be required for a resolution at an annual general meeting appointing as auditor a person other than a retiring auditor, or providing expressly that a retiring auditor shall not be re-appointed.

(2) On receipt of notice of such a resolution, the multi-State co-operative society shall forthwith send a copy thereof to the retiring auditor.

(3) Where notice is given of such a resolution and the retiring auditor makes with respect thereto representations in writing to the multi-State co-operative society (not exceeding a reasonable length) and requests their notification to members of the multi-State co-operative society, the multi-State co-operative society shall, unless the representations are received by it too late for it to do so,—

- (a) in any notice of the resolution given to members of the multi-State co-operative society, state the fact of the representations having been made; and
- (b) send a copy of the representation to every member of the multi-State co-operative society to whom notice of the meeting is sent, whether before or after the receipt of the representations by the multi-State co-operative society,

and if a copy of the representations is not sent as aforesaid because they were received too late or because of the multi-State co-operative society's default, the auditor may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting.

**72. Qualifications and disqualifications of auditors**

(1) A person shall not be qualified for appointment as an auditor of a multi-State co-operative society unless he is a chartered accountant within the meaning of the Chartered Accountants Act, 1949.

(2) None of the following persons shall be qualified for appointment as auditor of a multi-State co-operative society—

- (a) a body corporate;
- (b) an officer or employee of the multi-State co-operative society;
- (c) a person who is a member, or who is in the employment, of an officer or employee of the multi-State co-operative society;
- (d) a person who is indebted to the multi-State co-operative society or who has given any guarantee or provided any security in connection with the indebtedness of any third person to the multi-State co-operative society for an amount exceeding one thousand rupees.

(3) A person shall also not be qualified for appointment as an auditor of a multi-State co-operative society if he is, by virtue of sub-section (2), disqualified for appointment as an auditor of any other body corporate or multi-State co-operative society or co-operative society.

(4) If an auditor becomes subject, after his appointment, to any of the disqualifications specified in sub-sections (2) and (3), he shall be deemed to have vacated his office as such.

**73. Powers and duties of auditors**

(1) Every auditor of a multi-State co-operative society shall have a right of access at all times to the books, accounts and vouchers of the multi-State co-operative society, whether kept at the head office of the multi-State co-operative society or elsewhere,

and shall be entitled to require from the officers or other employees of the multi-State co-operative society such information and explanations as the auditor may think necessary for the performance of his duties as an auditor.

(2) Without prejudice to provisions of sub-section (1), the auditor shall inquire,—

- (a) whether loans and advances made by the multi-State co-operative society on the basis of security have been properly secured and whether the terms on which they have been made are not prejudicial to the interests of the multi-State co-operative society or its members;
- (b) whether transactions of the multi-State co-operative society which are represented merely by book entries are not prejudicial to the interests of the multi-State co-operative society;
- (c) whether personal expenses have been charged to revenue account; and
- (d) where it is stated in the books and papers of the multi-State co-operative society that any shares have been allotted for cash, whether cash has actually been received in respect of such allotment, and if no cash has actually been so received, whether the position as stated in the account books and the balance-sheet is correct, regular and not misleading.

(3) The auditor shall make a report to the members of the multi-State co-operative society on the accounts examined by him and on every balance-sheet and profit and loss account and on every other document required to be part of or annexed to the balance-sheet or profit and loss account, which are laid before the multi-State co-operative society in general meeting during his tenure of office, and the report 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 the information required by this Act in the manner so required and give a true and fair view,—

- (a) in the case of the balance-sheet, of the state of the multi-State co-operative society's affairs as at the end of its financial year; and
- (b) in the case of the profit and loss account, of the profit or loss for its financial year.

(4) The auditors' report shall also state—

- (a) whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purposes of his audit;
- (b) whether, in his opinion, proper books of account have been kept by the multi-State co-operative society so far as appears from his examination of those books, and proper returns adequate for the purposes of his audit have been received from branches or offices of the multi-State co-operative society not visited him;
- (c) whether the report on the accounts of any branch office audited by a person other than the multi-State co-operative society's auditor has been forwarded to him and how he has dealt with the same in preparing the auditor's report;
- (d) whether the multi-State co-operative society's balance-sheet and profit and loss account dealt with by the report are in agreement with the books of account and returns.

(5) Where any of the matters referred to in clauses (a) and (b) of sub-section (3) or in clauses (a), (b), (c) and (d) of sub-section (4) is answered in the negative or with a qualification, the auditor's report shall state the reason for the answer.

1[(6) the multi-State co-operative society or class of multi-State co-operative societies, as the case may be, shall adopt such standards of auditing and accounting as may be determined by the Central Government:

PROVIDED that until such standards of auditing and accounting are specified, the auditing and accounting standards specified by the Institute of Chartered Accountants of India constituted by sub-section (1) of section 3 of the Chartered Accountants Act, 1949 (38 of 1949) shall be deemed to be the standards of auditing and accounting:

PROVIDED FURTHER that the multi-State co-operative banks shall adopt the standards of accounting and auditing, if any, laid down by the Reserve Bank.]

**74. Signature of audit report, etc.**

Only the person appointed as an auditor of the multi-State co-operative society shall sign the auditor's report, or sign or authenticate any other document of the multi-State co-operative society required by law to be signed or authenticated by the auditor.

**75. Reading and inspection of auditor's report**

The auditor's report shall be read before the multi-State co-operative society in the general meeting and shall be open to inspection by any member of the multi-State co-operative society.

**76. Right of auditor to attend general meeting**

All notices of, and other communications relating to, any general meeting of a multi-State co-operative society, which any member of the multi-State co-operative society is entitled to have sent to him, shall also be forwarded to the auditor of the multi-State co-operative society; and the auditor shall be entitled to attend any general meeting and to be heard at any general meeting which he attends on any part of the business which concerns him as auditor.

**77. Power of Central Government to direct special audit in certain cases**

(1) Where the Central Government is of the opinion—

- (a) that the affairs of any multi-State co-operative society are not being managed in accordance with self-help and mutual aid and co-operative principles or prudent commercial practices; or with sound business principles; or
- (b) that any multi-State co-operative society is being managed in a manner likely to cause serious injury or damage to the interests of the trade, industry or business to which it pertains; or
- (c) that the financial position of any multi-State co-operative society is such as to endanger its solvency,

the Central Government may at any time by order direct that a special audit of the multi-State co-operative society's accounts for such period or periods as may be specified in the order, shall be conducted and may by the same or a different order appoint either a chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (38 of 1949) or the multi-State co-operative society's auditor himself to conduct with special audit:

PROVIDED that the Central Government shall not order for special audit of a multi-State co-operative society's accounts if that Government or the State Government either by itself or both hold less than fifty-one per cent. of the paid-up share capital or of the shares in such multi-State co-operative society.

1 Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.



(2) The chartered accountant or the multi-State co-operative society's auditor appointed under sub-section (1) to conduct a special audit as aforesaid is hereafter in this section referred to as the special auditor.

(3) The special auditor shall have the same powers and duties in relation to the special audit as an auditor of a multi-State co-operative society has under section 73:

PROVIDED that the special auditor shall, instead of making his report to the members of the multi-State co-operative society, make the same to the Central Government.

(4) The report of the special auditor shall, as far as may be, include all the matters required to be included in the auditors' report under section 73 and, if the Central Government so directs, shall also include a statement on any other matter which may be referred to him by that Government.

(5) The Central Government may by order direct any person specified in the order to furnish to the special auditor within such time as may be specified therein such information or additional information as may be required by the special auditor in connection with the special audit.

(6) On receipt of the report of the special auditor, the Central Government may take such action on the report as it considers necessary in accordance with the provisions of this Act or any other law for the time being in force:

PROVIDED that if the Central Government does not take any action on the report within four months from the date of its receipt, that Government shall send to the multi-State co-operative society either a copy of, or relevant extract from, the report with its comments thereon and require the multi-State co-operative society either to circulate that copy or those extracts to the members or to have such copy or extracts read before the multi-State co-operative society at its next general meeting.

(7) The expenses of, and incidental to, any special audit under this section (including the remuneration of the special auditor) shall be determined by the Central Government which determination shall be final and paid by the multi-State co-operative society and in default of such payment, shall be recoverable from the multi-State co-operative society as an arrear of land revenue.

#### **78. Inquiry by Central Registrar**

(1) The Central Registrar may, on a request from a federal co-operative to which a multi-State co-operative society is affiliated or a creditor or not less than one-third of the members of the board or not less than one-fifth of the total number of members of a multi-State co-operative society hold an inquiry or direct some person authorised by him by order in writing in this behalf to hold an inquiry into the constitution, working and financial condition of a multi-State co-operative society:

PROVIDED that no inquiry under this sub-section shall be held unless a notice of not less than fifteen days has been given to the multi-State co-operative society.

<sup>1</sup>[(1A) If the Central Registrar is satisfied on the basis of information available with him or furnished to him by a Government agency, that the business of a multi-State co-operative society is being carried on for a fraudulent or unlawful purpose, he may, after informing the multi-State co-operative society of the allegations made against it, by a written order, call on the multi-State co-operative society to furnish in writing any information or explanation, with the endorsement of the board of the society, on matters contained in such order within the time specified therein:

1 Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

PROVIDED that if the Central Registrar is not satisfied with the explanation of the society, he shall either himself or through an office or agency authorised by him, conduct inquiry into the constitution, working and financial condition of the society.

(1B) Notwithstanding anything contained in this Act, the Central Registrar shall, either *suo motu* or through an officer or agency authorised by him, conduct inquiry into the constitution, working and financial condition of any multi-State co-operative society, once in such period as may be determined by the Central Government.]

(2) The Central Registrar or the person authorised by him under sub-section (1) shall have the following powers, namely:—

- (a) he shall at all reasonable times have free access to the books, accounts, documents, securities, cash and other properties belonging to or in the custody of the multi-State co-operative society and may summon any person in possession or responsible for the custody of any such books, accounts, documents, securities, cash or other properties to produce the same, at any place specified by him;
- (b) he may, notwithstanding any bye-law specifying the period of notice for a general meeting of the multi-State co-operative society, require the officers of the society to call a general meeting of the society by giving notice of not less than seven days at such time and place at the headquarters of the society to consider such matters, as may be directed to him; and where the officers of the society refuse or fail to call such a meeting, he shall have power to call it himself;
- (c) he may summon any person who is reasonably believed by him to have any knowledge of the affairs of the multi-State co-operative society to appear before him at any place at the headquarters of the society or any branch thereof and may examine such person on oath.

(3) Any meeting called under clause (b) of sub-section (2) shall have all the powers of a general meeting of the society called under the bye-laws of the society and its proceedings shall be regulated by such bye-laws.

(4) The Central Registrar shall, within a period of three months of the date of receipt of the report, communicate the report of inquiry to the multi-State co-operative society, the financial institutions, if any, to which the society is affiliated, and to the person or authority, if any, at whose instance the inquiry is made.

#### **79. Inspection of multi-State co-operative societies**

(1) The Central Registrar may, on a request from a federal co-operative to which a multi-State co-operative society is affiliated or a creditor or not less than one-third of the members of the board or not less than one-fifth of the total number of members of a multi-State co-operative society by general or special order in writing in this behalf, inspect or direct any person authorised by him by order in writing in this behalf to make an inspection into the constitution, working and financial condition of a multi-State co-operative society:

PROVIDED that no inspection under this sub-section shall be made unless a notice of not less than fifteen days has been given to the multi-State co-operative society.

- (2)(a) For the purpose of inspection under sub-section (1), the Central Registrar or the person authorised by him under that sub-section shall at all times have access to all books, accounts, papers, vouchers, securities, stock and other property of that society and may, in the event of serious irregularities

discovered during inspection, take them into custody and shall have power to verify the cash balance of the society and subject to the general or special order of the Central Registrar to call a meeting of the board and also a general meeting of the society where such general meeting is, in his opinion, necessary.

- (b) Every officer or member of a multi-State co-operative society shall furnish such information with regard to the working of the society as the Central Registrar or the person making such inspection may require.

(3) A copy of the report of inspection under this section shall be communicated to the multi-State co-operative society within a period of three months from the date of completion of such inspection.

#### **80. Inspection of books of indebted multi-State co-operative societies**

(1) The Central Registrar shall, on the application of a creditor of a multi-State co-operative society, inspect, or direct some person authorised by him by order in writing in this behalf to inspect, the books of the society:

PROVIDED that no such inspection shall be made unless the applicant—

- (a) satisfies the Central Registrar that the debt is a sum then due, and that he has demanded payment thereof and has not received satisfaction within a reasonable time;
- (b) deposits with the Central Registrar such sum as security for the costs of the proposed inspection as the Central Registrar may require.

(2) The Central Registrar shall communicate the result of any such inspection to the creditor.

#### **81. Costs of inquiry and inspection**

Where an inquiry is held under section 78 or an inspection is made under section 79, the Central Registrar may apportion the costs, or such part of the costs, as he may think fit, between the multi-State co-operative society, the members or creditors demanding an inquiry or inspection, and the officers or former officers and the members or past members of that society:

PROVIDED that—

- (a) no order of apportionment of the costs shall be made under this section unless the society or the person liable to pay the costs thereunder has had a reasonable opportunity of being heard;
- (b) the Central Registrar shall state in writing under his own hand the grounds on which the costs are apportioned.

#### **82. Recovery of costs**

Any sum awarded by way of costs under section 81 may be recovered, on application to a magistrate having jurisdiction in the place where the person, from whom the money is claimable, actually and voluntarily resides or carries on business, and such magistrate shall recover the same as if it were a fine imposed by himself.

#### **83. Repayment, etc.**

(1) If in the course of an audit, inquiry, inspection or the winding up of a multi-State co-operative society, it is found that any person, who is or was entrusted with the organisation or management of such society or who is or has at any time been an officer or an employee of the society, has made any payment contrary to this Act, or the bye-laws or has caused any deficiency in the assets of the society by breach of trust

or wilful negligence or has misappropriated or fraudulently retained any money or other property belonging to such society, the Central Registrar may, of his own motion or on the application of the board, liquidator or any creditor inquire himself or direct any person authorised by him, by an order in writing in this behalf, to inquire into the conduct of such person within a period of two years from the date of the report of the audit, inspection or inquiry or the date of the order of winding up, as the case may be:

PROVIDED that where the Central Registrar is satisfied that such inquiry could not be commenced during the period of two years aforesaid on account of fraud or concealment of facts, he may make or direct the inquiry to be made within such period not exceeding six years from the date of the report of the audit, inspection or inquiry or the date of the order of winding up, as he thinks fit.

(2) Where an inquiry is made under sub-section (1), the Central Registrar may, after giving the person concerned a reasonable opportunity of being heard, make an order requiring him to repay or restore the money or property or any part thereof, with interest at such rate, or to pay contribution and costs or compensation to such extent, as the Central Registrar may consider just and equitable.

## CHAPTER IX

### SETTLEMENT OF DISPUTES

#### 84. Reference of disputes

(1) Notwithstanding anything contained in any other law for the time being in force, if any dispute [other than a dispute regarding disciplinary action taken by a multi-State co-operative society against its paid employee or an industrial dispute as defined in clause (k) of section 2 of the Industrial Disputes Act, 1947] touching the constitution, management or business of a multi-State co-operative society arises—

- (a) among members, past members and persons claiming through members, past members and deceased members, or
- (b) between a member, past members and persons claiming through a member, past member or deceased member and the multi-State co-operative society, its board or any officer, agent or employee of the multi-State co-operative society or liquidator, past or present, or
- (c) between the multi-State co-operative society or its board and any past board, any officer, agent or employee, or any past officer, past agent or past employee, heirs or legal representatives of any deceased officer, deceased agent or deceased employee of the multi-State co-operative society, or
- (d) between the multi-State co-operative society and any other multi-State co-operative society, between a multi-State co-operative society and liquidator of another multi-State co-operative society or between the liquidator of one multi-State co-operative society and the liquidator of another multi-State co-operative society,

such dispute shall be referred to arbitration.

(2) For the purposes of sub-section (1), the following shall be deemed to be disputes touching the constitution, management or business of a multi-State co-operative society, namely:—

- (a) a claim by the multi-State co-operative society for any debt or demand due to it from a member or the nominee, heirs or legal representatives of a deceased member, whether such debt or demand be admitted or not;

(b) a claim by a surety against the principal debtor where the multi-State co-operative society has recovered from the surety any amount in respect of any debt or demand due to it from the principal debtor as a result of the default of the principal debtor, whether such debt or demand is admitted or not;\*

(c) any dispute arising in connection with the election of any officer of a multi-State co-operative society.

(3) If any question arises whether a dispute referred to arbitration under this section is or is not a dispute touching the constitution, management or business of a multi-State co-operative society, the decision thereon of the arbitrator shall be final and shall not be called in question in any court.

(4) Where a dispute has been referred to arbitration under sub-section (1), the same shall be settled or decided by the arbitrator to be appointed by the Central Registrar.

(5) Save as otherwise provided under this Act, the provisions of the Arbitration and Conciliation Act, 1996 (26 of 1996) shall apply to all arbitration under this Act as if the proceedings for arbitration were referred for settlement or decision under the provisions of the Arbitration and Conciliation Act, 1996.

#### COMMENTS

Vide S.O. 216(E), dt. 24-2-2003, the Central Govt. hereby directs that the powers exercisable by the Central Registrar u/s. 84 of the Act shall also be exercisable by Registrar of Co-operative Societies of the States/UTs in respect of the societies located in their respective jurisdiction, subject to the following guidelines and conditions,—

1. Such powers in relation to National Co-operative Society shall not be exercisable by these officers.
2. The officers shall comply with the directions (other than Court cases) as may be given by the Central Registrar, appointed under sub-s. (1) of s. 4 of this Act, from time-to-time.
3. Appointment of arbitrators by the State Registrar of co-operative societies shall be subject to following guidelines:—
  - (a) In case of disputes relating to organizational and legal matters, arbitrators should either be a practicing Advocate or retired member of Judicial/Civil services or officers at least of the level of Deputy Registrar and above of co-operative department retired not more than two years prior to the date of appointment.
  - (b) In case of disputes relating to financial and banking matters including recovery disputes, persons having financial and accounting background like Chartered Accountants/ICW As/retired bank officers (retired not earlier than two years) may also be considered for appointment in addition to the persons listed in clause 3(a).
4. The list of approved arbitrators shall be submitted to the Central Registrar within 15 days of approval. The updated list of all the approved arbitrators should be sent to the Central Registrar on quarterly basis.

#### **85. Limitation**

(1) Notwithstanding anything contained in the Limitation Act, 1963 (36 of 1963), but subject to the specific provisions made in this Act, the period of limitation in the case of a dispute referred to arbitration shall,—

- (a) when the dispute relates to the recovery of any sum including interest thereon due to a multi-State co-operative society by a member thereof, be computed from the date on which such member dies or ceases to be a member of the society;

- (b) save as otherwise provided in clause (c), when the dispute relates to any act or omission on the part of any of the parties referred to in clause (b) or clause (c) or clause (d) of sub-section (1) of section 84, be six years from the date on which the act or omission, with reference to which the dispute arose, took place;
- (c) when the dispute is in respect of an election of an officer of a multi-State co-operative society, be one month from the date of the declaration of the result of the election.

(2) The period of limitation in the case of any dispute, except those mentioned in sub-section (1), which are required to be referred to arbitration shall be regulated by the provisions of the Limitation Act, 1963 (36 of 1963), as if the dispute were a suit and the arbitrator a civil court.

(3) Notwithstanding anything contained in sub-sections (1) and (2), the arbitrator may admit a dispute after the expiry of the period of limitation, if the applicant satisfies the arbitrator that he had sufficient cause for not referring the dispute within such period.

## CHAPTER IXA REDRESSAL OF COMPLAINTS

### 85A. Co-operative Ombudsman

(1) The Central Government shall appoint, one or more Co-operative Ombudsman with territorial jurisdiction for inquiring into the complaints made by any member of the multi-State co-operative societies regarding their deposits, equitable benefits of society's functioning or any other issue affecting the individual rights of the concerned member, in such manner, as may be prescribed.

(2) The Co-operative Ombudsman shall, on receipt of a complaint, complete the process of inquiry and adjudicate within a period of three months from the date of receipt of the complaint and may issue necessary directions to the society during the course of inquiry and the society shall be bound to comply with the same within a period of one month from the date of issuance of such directions.

(3) The multi-State co-operative society aggrieved by any directions of the Ombudsman may file an appeal in such manner as may be prescribed, within a period of one month before the Central Registrar who shall decide the appeal within a period of forty-five days and the decision of the Central Registrar shall be final and binding:

PROVIDED that the Central Registrar may entertain the appeal after the expiry of said period of one month, if he is satisfied that the society was prevented by sufficient cause from preferring the appeal in time.

(4) The Ombudsman shall submit periodic reports to the Central Registrar of Co-operative Societies.

(5) The Co-operative Ombudsman while conducting the inquiry under sub-section (1), shall exercise the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (5 of 1908),—

- (a) for summoning and enforcing the attendance of persons;
- (b) examining them on oath;
- (c) discovery and production of books of account and other documents; and
- (d) any other matter which may be prescribed.]

<sup>1</sup> Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

## CHAPTER X

## WINDING UP OF MULTI-STATE CO-OPERATIVE SOCIETY

## 86. Winding up of multi-State co-operative societies

(1) If the Central Registrar, after audit has been conducted under section 70 or special audit has been conducted under section 77 or an inquiry has been held under section 78 or an inspection has been made under section 79<sup>1</sup>[or section 108], is of opinion that the society ought to be wound up, he may, after giving the society a reasonable opportunity of making its representations by order, direct it to be wound up.

(2) The Central Registrar may, of his own motion and after giving the multi-State co-operative society a reasonable opportunity of making its representation, make an order directing the winding up of the multi-State co-operative society,—

<sup>2</sup>[(a) where the number of members or the number of societies or the number of persons, as the case may be, has at any time reduced below the number of members or societies or persons as specified in sub-section (2) of section 6: PROVIDED that the multi-State co-operative society shall be given six months' time to restore the number of members or societies or persons to the requisite number;]

(b) where the multi-State co-operative society has not commenced working within a period of six months of the date of its registration or such extended period as the Central Registrar may allow in this behalf or has ceased to function in accordance with <sup>3</sup>[co-operative principles; or]

<sup>4</sup>[(c) where the Central Registrar has reasons to believe that the registration was obtained by misrepresentation of facts, submission of false or misleading information, suppression of material facts or fraud thereby compromising the spirit of co-operation.]

(3) The Central Registrar may cancel an order for the winding up of a multi-State co-operative society, at any time, in any case where, in his opinion, the society should continue to exist.

(4) A copy of such order shall be communicated by registered post to the multi-State co-operative society and to the financial institutions, if any, of which the society is a member.

<sup>5</sup>[(5) Notwithstanding anything contained in this section, in case of winding up of multi-State co-operative banks, the provisions of the Banking Regulation Act, 1949 (10 of 1949) shall also apply.]

(6) Notwithstanding anything contained in this section, the Central Registrar shall make an order for the winding up of a multi-State co-operative society, if the society, by a resolution passed by two-third majority of members present and voting in a general meeting decides for winding up of that society:

1 Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

2 Substituted, *ibid.* Prior to substitution, clause (a) read as under:

"(a) where it is a condition of the registration of the society that the society shall consist of at least fifty members and the number of members has been reduced to less than fifty; or"

3 Substituted for "Co-operative principles", *ibid.*

4 Inserted, *ibid.*

5 Substituted, *ibid.* Prior to substitution, sub-section (5) read as under:

"(5) Notwithstanding anything contained in this section, no co-operative bank shall be wound up except with the previous sanction, in writing of the Reserve Bank."

<sup>1</sup>[PROVIDED that prior to winding up, "no objection" from the institutional lenders, who have outstanding loans from the society, shall be required in writing.

*Explanation :* For the purposes of this proviso, the expression "institutional lenders" includes banks, savings and loan association, trust company, insurance company, real estate investment trust, pension fund and the like.]

#### **87. Winding up of co-operative bank at the direction of Reserve Bank**

Notwithstanding anything to the contrary contained elsewhere in this Act, the Central Registrar shall make an order for the winding up of a co-operative bank, if so required by the Reserve Bank in the circumstances mentioned in section 13D of the Deposit Insurance and Credit Guarantee Corporation Act, 1961 (47 of 1961).

#### **88. Reimbursement to the Deposit Insurance Corporation by liquidator**

Where a co-operative bank, being an insured bank within the meaning of the Deposit Insurance and Credit Guarantee Corporation Act, 1961 (47 of 1961), is wound up and the Deposit Insurance Corporation has become liable to the depositors of the insured bank under sub-section (1) of section 16 of that Act, the Deposit Insurance Corporation shall be reimbursed by the liquidator or such other person in the circumstances, to the extent and in the manner provided in section 21 of that Act.

#### **89. Liquidator**

(1) Where the Central Registrar has made an order under section 86 for the winding up of a multi-State co-operative society, the Central Registrar may appoint a liquidator for the purpose and fix his remuneration.

(2) A liquidator shall, on appointment, take into his custody or under his control all the property, effects and actionable claims to which the multi-State co-operative society is or appears to be entitled and shall take such steps as he may deem necessary or expedient to prevent loss or deterioration of, or damage to, such property, effects and claims and he may carry on the business of the multi-State co-operative society so far as may be necessary with the previous approval of the Central Registrar.

(3) Where an appeal is preferred under clause (f) of sub-section (1) of section 99, an order for the winding up of a multi-State co-operative society made under section 86 shall not operate thereafter until the order is confirmed in appeal:

PROVIDED that the liquidator shall continue to have custody or control of the property, effects and actionable claims mentioned in sub-section (2) and have authority to take the steps referred to in that sub-section.

(4) Where an order for the winding up of a multi-State co-operative society is set aside in appeal, the property, effects and actionable claims of the society shall re-vest in the society.

#### **90. Powers of liquidator**

(1) Subject to any rules made in this behalf, the whole of the assets of a multi-State co-operative society in respect of which an order for winding up has been made, shall vest in the liquidator appointed under section 89 from the date on which the order takes effect and the liquidator shall have power to realise such assets by sale or otherwise.

(2) Such liquidator shall also have power, subject to the control of the Central Registrar—

<sup>1</sup> Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.



- (a) to institute and defend suits and other legal proceedings on behalf of the multi-State co-operative society by the name of his office;
- (b) to determine from time-to-time the contribution (including debts due and costs of liquidation) to be made or remaining to be made by the members or past members or by the estates or nominees, heirs or legal representatives of the deceased members or by any officers or former officers, to the assets of the multi-State co-operative society;
- (c) to investigate all claims against the multi-State co-operative society and subject to the provisions of this Act, to decide questions of priority arising between claimants;
- (d) to pay claims against the multi-State co-operative society, including interest up to the date of winding up according to their respective priorities, if any, in full or rateably, as the assets of the society may permit; and the surplus, if any, remaining after payment of the claims being applied in payment of interest from the date of such order of winding up at a rate fixed by him but not exceeding the contract rate in any case;
- (e) to determine by what persons and in what proportions the costs of the liquidation are to be borne;
- (f) to determine whether any person is a member, past member or nominee of a deceased member;
- (g) to give such directions in regard to the collection and distribution of the assets of the multi-State co-operative society as may appear to him to be necessary for winding up the affairs of that society;
- (h) to carry on the business of the multi-State co-operative society so far as may be necessary for the beneficial winding up of the same;
- (i) to make any compromise or arrangement with creditors or persons claiming to be creditors or having or alleging to have any claim, present or future, whereby the multi-State co-operative society may be rendered liable;
- (j) to make any compromise or arrangement with any person between whom and the multi-State co-operative society there exists any dispute and to refer any such dispute for decision;
- (k) after consulting the members of the multi-State co-operative society, to dispose of the surplus, if any, remaining after paying the claims against the society, in such manner as may be prescribed;
- (l) to compromise all calls or liabilities to calls and debts and liabilities capable of resulting in debts, and all claims, present or future, certain or contingent, subsisting or alleged to be subsisting between the multi-State co-operative society and a contributory or other debtor or person apprehending liability to the multi-State co-operative society and all questions in any way relating to or affecting the assets or the winding up of the society on such terms as may be agreed and take any security for the discharge of any such call, liability, debt or claim and give a complete discharge in respect thereof.

(3) When the affairs of a multi-State co-operative society have been wound up, the liquidator shall make a report to the Central Registrar and deposit the records of the society in such place as the Central Registrar may direct.

**91. Disposal of surplus assets**

The surplus assets, as shown in the report of a liquidator of a multi-State co-operative society which is wound up,—

- (a) may, if the bye-laws of the multi-State co-operative society specify the purpose for which surplus shall be utilised, be utilised by the Central Registrar for the said purpose, and
- (b) if the bye-laws aforesaid do not specify the purpose, be divided by the Central Registrar with the previous sanction of the Central Government, amongst the members of such multi-State co-operative society in such manner as may be prescribed.

**92. Priority of contributions assessed by liquidator**

Notwithstanding anything contained in any law relating to insolvency, the contribution assessed by a liquidator shall rank next to debts due to the Central Government or a State Government or a local authority in accordance with the order of priority in insolvency proceedings.

**93. Power of Central Registrar to cancel registration of a multi-State co-operative society**

(1) The Central Registrar may, after considering the report of the liquidator made to him under sub-section (3) of section 90, order the registration of the multi-State co-operative society to be cancelled and on such cancellation, that society shall stand dissolved.

(2) An order passed under sub-section (1) shall be communicated by registered post to the president or the chairperson, as the case may be, of the multi-State co-operative society and to the financial institutions, if any, of which the society was a member.

**CHAPTER XI****EXECUTION OF DECREES, ORDERS AND DECISIONS****94. Execution of decisions, etc.**

Every decision or order made under section 39 or section 40 or section 83 or <sup>1</sup>[section 84 or] section 99 or section 101 shall, if not carried out,—

- (a) on a certificate signed by the Central Registrar or any person authorised by him in writing in this behalf, be deemed to be a decree of a civil court and shall be executed in the same manner as if it were a decree of such court and such decree shall be executed by the Central Registrar or any person authorised by him in writing in this behalf, by attachment and sale or sale without attachment of any property of the person or a multi-State co-operative society against whom the decision or order has been made; or
- (b) where the decision or order provides for the recovery of money, be executed according to law for the time being in force for the recovery of arrears of land revenue:

PROVIDED that any application for the recovery of any sum shall be made in such manner—

- (i) to the Collector and shall be accompanied by a certificate signed by the Central Registrar or by any person authorised by him in writing in this behalf;

<sup>1</sup> Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

- (ii) within twelve years from the date fixed in the decision or order and if no such date is fixed, from the date of decision or order, as the case may be; or
- (c) be executed by the Central Registrar or any person authorised by him in writing in this behalf, by attachment and sale or sale without attachment of any property of the person or a multi-State co-operative society against whom the decision or order has been made.

#### **95. Execution of orders of liquidators**

Every order made by the liquidator under section 90 shall be executed according to the law for the time being in force for the recovery of arrears of land revenue.

#### **96. Attachment before award**

(1) Where the arbitrator is satisfied that a party to any reference made to him under section 84 with intent to defeat or delay the execution of any decision that may be passed thereon is about to—

- (a) dispose of the whole or any part of the property; or
  - (b) remove the whole or any part of the property from its existing precincts,
- the arbitrator may, unless adequate security is furnished, direct conditional attachment of the said property or such part thereof as he deems necessary.

(2) The attachment under sub-section (1) shall be executed by a civil court having jurisdiction in the same way as an attachment order passed by itself and shall have the same effect as such order.

#### **97. Central Registrar or arbitrator or person authorised to be civil court for certain purposes**

The Central Registrar or the arbitrator or any person authorised by him in writing in this behalf shall be deemed, when exercising any powers under this Act for the recovery of any amount by the attachment and sale or by sale without attachment of any property, or when passing any orders on any application made to him for such recovery or for taking a step-in-aid of such recovery, to be a civil court for the purposes of article 136 of the Schedule to the Limitation Act, 1963 (36 of 1963).

#### **98. Recovery of sums due to Government**

(1) All sums due from a multi-State co-operative society, or from an officer or member or past member of a multi-State co-operative society, to the Central Government or a State Government, including any cost awarded to the Central Government or the State Government, as the case may be, under any provision of this Act, may, on a certificate issued by the Central Registrar in this behalf, be recovered in the same manner as arrears of land revenue as first charge on the assets of such society or officer or member, as the case may be.

(2) Sums due from a multi-State co-operative society to the Central Government or a State Government and recoverable under sub-section (1) may be recovered firstly from the property of the society and secondly from the members, past members or of the estates of deceased members, subject to the limit of their liability:

PROVIDED that the liability of past members and the estate of deceased members shall in all cases be subject to the provisions of section 37.

<sup>1</sup>[(3) The Central Registrar shall also have the power to recover the following dues by attaching bank accounts of defaulting multi-State co-operative societies—

<sup>1</sup> Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

- (a) the co-operative education fund referred to in clause (b) of sub-section (1) of section 63;
- (b) the Co-operative Rehabilitation, Reconstruction and Development Fund established under section 63A; and
- (c) the expenses incurred by the Co-operative Election Authority for conduct of elections.]

#### 198A. Review of decision

The Central Registrar may, on an application received from any party, review his decision under clause (a) or clause (b) or clause (c) of sub-section (1) of section 94:

PROVIDED that no application for review shall be entertained against the recovery certificate issued by the Central Registrar or by any person authorised by him in writing in this behalf, unless the applicant deposits with the concerned society, fifty per cent. of the amount of the recoverable dues:

PROVIDED FURTHER that no application for review shall be entertained, if made after sixty days of the date of receipt of the decision or order:

PROVIDED ALSO that the Central Registrar may entertain any such application made after such period, if the applicant satisfies that he had sufficient cause for not making the application within such period."

## CHAPTER XII

### APPEALS AND REVIEW

#### 99. Appeals

(1) Subject to the provisions of section 100, an appeal shall lie under this section against,—

- (a) an order made by the Central Registrar under sub-section (3) of section 7 refusing to register a multi-State co-operative society;
- (b) an order made by the Central Registrar under sub-section (9) of section 11 refusing to register an amendment of the bye-laws of a multi-State co-operative society;
- (c) a decision of a multi-State co-operative society refusing or deemed to be refusing under sub-section (4) of section 25 to admit any person as a member of the society who is otherwise duly qualified for membership under the bye-laws of the society;
- (d) an order made by the Central Registrar under section 81 apportioning the costs of an inquiry held under section 78 or an inspection made under section 80;
- (e) an order made by the Central Registrar under sub-section (2) of section 83;
- (f) an order made by the Central Registrar under section 86 directing the winding up of a multi-State co-operative society;
- (g) an order made by the liquidator of a multi-State co-operative society under section 90.

(2) An appeal against any decision or order under sub-section (1) shall be made within sixty days from the date of such decision or order to the prescribed appellate authority.

1 Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

(3) The appellate authority may, if satisfied that the appellant was prevented by sufficient cause from preferring the appeal within the period of sixty days, admit the appeal within such further period as that authority may deem fit.

(4) In disposing of an appeal under this section, the appellate authority may, after giving the parties a reasonable opportunity of making their representation, pass such order thereon as that authority may deem fit.

(5) The decision or order of the appellate authority on appeal shall be final.

#### **100. No appeal in certain cases**

Notwithstanding anything contained in this Act, where, with the previous sanction in writing of, or on requisition by, the Reserve Bank, a co-operative bank—

(a) is being wound up; or

(b) in respect of which a scheme of amalgamation or reorganisation is given effect to,

no appeal thereagainst shall lie or be permissible, and the sanction or requisition of the Reserve Bank shall not be liable to be called in question.

#### **101. Review**

(1) The appellate authority referred to in s. 99, may, on the application of any party, review its own order in any case and pass in reference thereto such order as it thinks fit:

PROVIDED that no such application shall be entertained unless the appellate authority is satisfied that there has been a discovery of new and important matter or evidence which after exercise of due diligence was not within the knowledge of the applicant or could not be produced by him at the time when the order was made or that there has been some mistake or error apparent on the face of the record or for any other sufficient reason:

PROVIDED FURTHER that no such order shall be made under this sub-section unless notice has been given to all interested parties and they have been afforded a reasonable opportunity of being heard.

(2) An application for review under sub-section (1) by any party shall be made within thirty days from the date of communication of the order of the appellate authority sought to be reviewed.

#### **102. Interlocutory orders**

Where an appeal is made under section 99, the appellate authority may, in order to prevent the ends of justice being defeated, make such interlocutory orders, including an order of stay pending the decision of the appeal as such authority may deem fit.

### **CHAPTER XIII**

#### **SOCIETIES WHICH BECOME MULTI-STATE CO-OPERATIVE SOCIETIES CONSEQUENT ON REORGANISATION OF STATES**

#### **103. Co-operative societies functioning immediately before reorganisation of States**

(1) Where, by virtue of the provisions of Part II of the State Reorganisation Act, 1956 or any other enactment relating to reorganisation of States, any co-operative society which immediately before the day on which the reorganisation takes place, had its objects confined to one State becomes, as from that day, a multi-State co-operative society, it shall be deemed to be a multi-State co-operative society registered under the corresponding provisions of this Act and the bye-laws of such society shall, insofar as

they are not inconsistent with the provisions of this Act, continue to be in force until altered or rescinded:

<sup>1</sup>[PROVIDED that where all the successor States take necessary steps to divide or reorganise such deemed multi-State co-operative society into State co-operative societies in order to confine their objects, services and the members to respective States within a period of three years, such deemed multi-State co-operative society shall cease to be a multi-State co-operative society:

PROVIDED FURTHER that the deemed multi-State co-operative society other than those mentioned in the first proviso shall submit an application for registration and obtain the certificate of registration from the Central Registrar.]

(2) If it appears to the Central Registrar or any officer authorised in this behalf by the Central Government (hereafter in this section referred to as the authorised officer) that it is necessary or expedient to reconstitute or reorganise any society referred to in sub-section (1), the Central Registrar or the authorised officer, as the case may be, may, with the previous approval of the Central Government, place before a meeting of the general body of that society, held in such manner as may be prescribed, a scheme for the reconstitution or reorganisation, including proposals regarding—

- (a) the formation of new multi-State co-operative societies and the transfer thereto in whole or in part, of the assets and liabilities of that society; or
- (b) the transfer, in whole or in part, of the assets and liabilities of that society to any other multi-State co-operative society in existence immediately before the date of that meeting of the general body (hereafter in this section referred to as the existing multi-State co-operative society).

(3) If the scheme is sanctioned by a resolution passed by a majority of the members present at the said meeting, either without modifications or with modifications to which the Central Registrar or the authorised officer agrees, he shall certify the scheme and upon such certification, the scheme shall, notwithstanding anything to the contrary contained in any law, regulation or bye-laws for the time being in force, be binding on all the societies affected by the scheme, as well as the shareholders and creditors of all such societies.

(4) If the scheme is not sanctioned under sub-section (3), the Central Registrar or the authorised officer may refer the scheme to such Judge of the appropriate High Court, as may be nominated in this behalf by the Chief Justice thereof, and the decision of that Judge in regard to the scheme shall be final and shall be binding on all the societies affected by the scheme as well as the shareholders and creditors of all such societies.

*Explanation :* For the purposes of this sub-section, “appropriate High Court” means the High Court within the local limits of whose jurisdiction the principal place of business of the multi-State co-operative society is situated.

(5) Notwithstanding anything contained in this section, where a scheme under sub-section (2) includes any proposal regarding the transfer of the assets and liabilities of any multi-State co-operative society referred to in clause (b) thereof, the scheme shall not be binding on such multi-State co-operative society or the shareholders and creditors thereof, unless the proposal regarding such transfer is accepted by that multi-State co-operative society by a resolution passed by a majority of the members present at a meeting of its general body.

1 Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

## CHAPTER XIV

### OFFENCES AND PENALTIES

#### 104. Offences and penalties

(1) A multi-State co-operative society or an officer or member thereof wilfully making a false return or furnishing false information <sup>1</sup>[or failing to file any return or information], or any person wilfully or without any reasonable excuse disobeying any summons, requisition or lawful written order issued under the provisions of this Act, or wilfully not furnishing any information required from him by a person authorised in this behalf under the provisions of this Act, shall be punishable with fine which shall not be less than <sup>2</sup>[five thousand rupees] and which may extend to <sup>3</sup>[one lakh rupees].

(2) Any employer who, without sufficient cause, fails to pay to a multi-State co-operative society the amount deducted by him under section 60 within a period of fourteen days from the date on which such deduction is made shall, without prejudice to any action that may be taken against him under any other law for the time being in force, be punishable with fine which may extend to <sup>4</sup>[ten thousand rupees].

(3) Any officer or custodian who wilfully fails to hand over custody of books, accounts, documents, records, cash, security and other property belonging to a multi-State co-operative society of which he is an officer or custodian, to a person entitled under section 54, or section 70, or section 78, or section 79, or section 89 <sup>1</sup>[or to a person required to file return under section 120] shall be punishable with fine which may extend to <sup>5</sup>[five thousand rupees] and in the case of a continuing breach, with a further fine which may extend to <sup>6</sup>[ten thousand rupees] for every day during which the breach is continued after conviction for the first such breach.

(4) Whoever, before, during or after the election of delegates under the proviso to sub-section (1) of section 38 or election of members of the board,—

- (a) fraudulently defaces or fraudulently destroys any nomination paper; or
- (b) fraudulently defaces, destroys or removes any list, notice or other document affixed by or under the authority of a returning officer; or
- (c) fraudulently defaces or fraudulently destroys any ballot paper or the official mark on any ballot paper or any declaration of identity; or
- (d) without due authority supplies any ballot paper to any person or receives any ballot paper from any person or is in possession of any ballot paper; or
- (e) fraudulently puts into any ballot box anything other than the ballot paper which he is authorised by law to put in; or
- (f) without due authority destroys, takes, opens or otherwise interferes, with any ballot box or ballot papers then in use for the purposes of the election; or
- (g) fraudulently or without due authority, as the case may be, attempts to do any of the foregoing acts or wilfully aids or abets the doing of any such acts;

1 Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

2 Substituted for "two thousand rupees" *ibid.*

3 Substituted for "ten thousand rupees" *ibid.*

4 Substituted for "five thousand rupees" *ibid.*

5 Substituted for "two thousand rupees" *ibid.*

6 Substituted for "five thousand rupees" *ibid.*

(h) offers any gift or promises to offer any gratification to any person <sup>1</sup>[or receives such gift, promise or gratification] with the object, directly or indirectly, of including—

(i) a person to stand or not to stand as, or to withdraw or not to withdraw from, being a candidate at an election; or

(ii) a member to vote or refrain from voting at an election, or as a reward to a person for having so stood or not stood or for having withdrawn or not having withdrawn his candidature; or

(iii) a member for having voted or refrained from voting,

shall be punishable with imprisonment for a term which may extend to six months or with fine or with both <sup>1</sup>[and shall also be debarred from contesting elections for a period of three years]

<sup>1</sup>[(5) Where a multi-State co-operative society,—

(a) which is required to provide an explanation or make a statement during the course of inspection, inquiry or investigation, destroys, mutilates or falsifies, or conceals or tampers or unauthorisedly removes, or causes the destruction, mutilation or falsification or concealment or tampering or unauthorised removal of, any document relating to the property, assets or affairs of the society or makes or causes to make a false entry in any document concerning the society;

(b) makes any investment in contravention of the provision of section 64 or the bye-laws made under this Act;

(c) causes unlawful loss to the assets and property of the society; or

(d) causes unlawful loss to the depositor,

the board of directors or the responsible officers of the multi-State co-operative society shall be punishable with imprisonment for a term which shall not be less than one month but which may extend to one year or with fine which shall not be less than five thousand rupees but may extend to one lakh rupees or with both.

(6) Where the board of directors or officers of the multi-State co-operative society receive any unlawful gains while transacting matters related to such society or utilise any assets of the society for personal unlawful gains, such directors or officers concerned shall be punishable with imprisonment for a term which shall not be less than one month but which may extend to one year or with fine which shall not be less than five thousand rupees but may extend to one lakh rupees or with both and the proceeds of such unlawful gains shall be recovered from them and deposited in such manner as may be prescribed.]

### 105. Cognizance of offences

(1) No court inferior to that of a Metropolitan Magistrate or a Judicial Magistrate of the first class shall try any offence under this Act.

(2) No prosecution for offences under section 104 shall be instituted except on a complaint filed in writing by a member of a multi-State co-operative society or by the Central Registrar in the competent court.

<sup>1</sup> Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.



**<sup>1</sup>[105A. Provisions of this Act not in derogation of any other law**

The provisions of this Act shall be in addition to, and not in derogation of, any other law for the time being in force.]

**CHAPTER XV****MISCELLANEOUS****<sup>2</sup>[106. Appointment of Co-operative Information Officer**

(1) Every multi-State co-operative society shall appoint a Co-operative Information Officer to provide the information relating to affairs and management of the society to the members of the society and such information shall be confined to the information falling under the disclosure norms specified by the society in its bye-laws.

(2) Any member of multi-State co-operative society shall make an application, accompanying such fee as may be prescribed, to get information specified in sub-section (1).

(3) The Co-operative Information Officer shall, within thirty days from the date of receipt of application, either provide the information or reject the application specifying the reason to do so.

(4) Any member of the multi-State co-operative society whose application has been rejected may prefer an appeal to the Co-operative Ombudsman within a period of one month from the date of such rejection and his decision shall be final and binding.

**106A. Copy of rules and bye-laws, etc., for inspection**

Every Chief Executive of multi-State co-operative society shall keep a copy of the rules and its bye-laws and also a list of its members, open to inspection free of charge at all reasonable times, at the registered address of the multi-State co-operative society.]

**107. Place of keeping and inspection of, registers and returns**

(1) The register of members commencing from the date of the registration of multi-State co-operative society, the index of members, the register of debenture holders, and copies of all annual returns prepared together with the copies of certificates and documents, shall be kept at the registered office of the multi-State co-operative society.

(2) The registers, indexes, returns and copies of certificates and other documents referred to in sub-section (1) shall be open during business hours (subject to such reasonable restrictions, as the multi-State co-operative society may impose, so that not less than two hours in each day are allowed for inspection) to the inspection—

(a) of any member or debenture holder, without fee; and

(b) of any other person, on payment of such sum as may be prescribed for each inspection.

**108. Inspection of books of account, etc., of multi-State co-operative society**

(1) The books of account and other books and papers of every multi-State co-operative society shall be open to inspection during business hours—

(i) by the Central Registrar <sup>1</sup>[or any person authorised by him in this behalf, not below the rank of Assistant Commissioner or equivalent], or

1 Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

2 Substituted, *ibid.* Prior to substitution, section 106 read as under:

**"106. Copies of bye laws, etc., to be open to inspection**

Every multi-State co-operative society shall keep a copy of the rules and its bye-laws and also a list of its members, open to inspection free of charge at all reasonable times, at the registered address of the society."

- (ii) by such officer of the Government as may be authorised by the Central Government in this behalf:

PROVIDED that such inspection may be made without giving any previous notice to that society or any officer thereof;

- (iii) by the members of the multi-State co-operative society.

(2) It shall be the duty of every director, other officer or employee of the multi-State co-operative society to produce to the person making inspection under sub-section (1), all such books of account and other books and papers of the multi-State co-operative society in his custody or control and to furnish him with any statement, information or explanation relating to the affairs of such society as the said person may require of him within such time and at such place as he may specify.

(3) It shall also be the duty of every director, other officer or employee of the multi-State co-operative society to give to the person making inspection under this section all assistance in connection with the inspection which the multi-State co-operative society may be reasonably expected to give.

(4) The person making the inspection under this section may, during the course of inspection,—

- (i) make or cause to be made copies of books of account and other books and papers, or
- (ii) place or cause to be placed any marks of identification thereon in token of the inspection having been made.

(5) Notwithstanding anything contained in any other law for the time being in force or any contract to the contrary, the Central Registrar or an officer authorised under clause (ii) of sub-section (1), making an inspection under this section shall have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (5 of 1908), while trying a suit, in respect of the following matters, namely:—

- (i) the discovery and production of books of account and other documents, at such place and such time as may be specified by such person;
- (ii) summoning and enforcing the attendance of persons and examining them on oath;
- (iii) inspection of any books, registers and other documents of the multi-State co-operative society at any place.

(6) Where an inspection of the books of account and other books and papers of the multi-State co-operative society has been made under this section, the Central Registrar or an officer authorised under clause (ii) of sub-section (1), making the inspection shall make a report to the Central Government.

#### **109. Annual accounts and balance-sheet**

At every annual general meeting of a multi-State co-operative society, the board shall lay before the multi-State co-operative society—

- (a) a balance-sheet as at the end of every <sup>1</sup>[financial year]; and
- (b) a profit and loss account for that year.

#### **110. Minutes of proceedings of general meetings and of board and other meetings**

(1) Every multi-State co-operative society shall cause minutes of all proceedings of every general meeting and of all proceedings of every meeting of its board or of every committee of the board, to be kept by making within thirty days of the conclusion

<sup>1</sup> Substituted for "co-operative year" by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

(2) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed—

(a) in the case of minutes of proceedings of a meeting of the board or of a committee thereof, by the chairperson of the said meeting or the chairperson of the next succeeding meeting;

(b) in the case of minutes of proceedings of a general meeting, by the chairperson of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that chairperson within that period, by a member of the board duly authorised by the board for the purpose.

(3) In no case the minutes of proceedings of a meeting shall be attached to any such books as aforesaid by pasting or otherwise.

(4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(6) In the case of a meeting of the board or of a committee of the board, the minutes shall also contain—

(a) the names of the members of the board present at the meeting; and

(b) in the case of each resolution passed at the meeting, the names of the members of the board, if any, dissenting from, or not concurring in, the resolution.

(7) Nothing contained in sub-sections (1) to (6) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the chairperson of the meeting—

(a) is, or could reasonably be regarded as, defamatory of any person;

(b) is irrelevant or immaterial to the proceedings; or

(c) is detrimental to the interests of the multi-State co-operative society.

*Explanation :* The chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-section.

#### **111. Minutes to be evidence**

Minutes of meetings kept in accordance with the provisions of section 110 shall be evidence of the proceedings recorded therein.

#### **112. Presumptions to be drawn where minutes duly drawn and signed**

Where minutes of the proceedings of any general meeting of the multi-State co-operative society or of any meeting of its board or a committee of the board have been kept in accordance with the provisions of section 110, then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place, and in particular, all appointments of directors or liquidators made at the meetings shall be deemed to be valid.

#### **113. Inspection of minutes book of general meetings**

The books containing the minutes of the proceedings of any general meeting of a multi-State co-operative society shall—

(a) be kept at the registered office of that society, and

- (b) be open, during business hours, to the inspection of any members of that society.

#### 114. Liquidator to be public servant

Any person appointed as liquidator under the provisions of this Act shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code.

#### 115. Notice necessary in suits

No suit shall be instituted against a multi-State co-operative society or any of its officers in respect of any act touching the constitution, management or the business of the society until the expiration of ninety days next after notice in writing has been delivered to the Central Registrar or left at his office, stating the cause of action, the name, description and place of residence of the plaintiff and the relief which he claims, and the plaint shall contain a statement that such notice has been so delivered or left.

#### 116. <sup>1</sup>[Power to amend Schedules]

(1) If the Central Government is satisfied that any multi-State co-operative society should be designated as a national Co-operative Society or any national Co-operative Society specified in the Second Schedule should be omitted from the said Schedule, it may, by notification, amend the said Schedule so as to include therein such multi-State co-operative society or exclude therefrom such national co-operative society, and thereupon the said Schedule shall be deemed to have been amended accordingly.

<sup>2</sup>[(1A) If the Central Government is satisfied that it is necessary or expedient so to do, it may, by notification, amend the First Schedule and the Third Schedule and thereupon such Schedules shall be deemed to have been amended accordingly:

PROVIDED that in case of the First Schedule, such notification shall be used only for adding to the co-operative principles in the list.]

(2) A copy of every notification under <sup>3</sup>[sub-sections (1) and (1A)] shall be laid before each House of Parliament as soon as may be after it is made.

#### 117. Bar of jurisdiction of courts

(1) Save as otherwise provided in this Act, no court shall have jurisdiction in respect of—

- (a) the registration of a multi-State co-operative society or its bye-laws or of an amendment of the bye-laws.
- (b) any matter concerning the winding up and the dissolution of a multi-State co-operative society.

(2) While a multi-State co-operative society is being wound up, no suit or other legal proceedings relating to the business of such society shall be proceeded with or instituted against the liquidator or against the society or any member thereof, except by leave of the Central Registrar and subject to such terms and conditions as he may impose.

(3) Save as otherwise provided in this Act, no decision or order made under this Act shall be questioned in any court.

#### 118. Indemnity

No suit, prosecution or other legal proceedings shall lie against the Central Registrar or, any person subordinate to him or acting on his authority or against any other person, in respect of anything in good faith done or purporting to have been

1 Substituted for "Power to amend Second Schedule" by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

2 Inserted, *ibid*.

3 Substituted for "sub-section (1)", *ibid*.

done under this Act.

### 119. Opening of branches

Notwithstanding anything contained to the contrary in any law relating to co-operative Societies in force in a State, a multi-State co-operative society, not being a co-operative bank, may open branches or places of business in any place in India.

### 120. Filing of returns

Every year within six months of the closure of the accounting year every multi-State co-operative society shall file the following returns with the Central Registrar, namely:—

- <sup>1</sup>[(a) annual report of the activities including details of board decisions which were not unanimous;]
- (b) audited statements of accounts;
- (c) plan for surplus disposal as approved by the general body;
- (d) list of amendments to the bye-laws of the multi-State co-operative society;
- (e) declaration regarding date of holding of general body meeting and conduct of elections where due;
- <sup>2</sup>[(f) disclosure regarding employees who are relatives of Members of board;
- (g) declaration of any related party transactions by the board of directors; and
- (h) any other information required by the Central Registrar in pursuance of any of the provisions of this Act or the rules made thereunder.]

### <sup>3</sup>[120A. Filing of applications, documents, inspections, etc., in electronic form

(1) Notwithstanding anything to the contrary contained in this Act, and without prejudice to the provisions of the Information Technology Act, 2000 (21 of 2000), the Central Government may, from such date as may be notified, require that—

- (a) such applications, returns, reports, statement of accounts, or any other particulars or document as may be required to be filed or delivered under this Act or the rules made thereunder, shall be filed in the electronic form and authenticated;
- (b) such document, notice, any communication or intimation, as may be required to be served or delivered under this Act, shall be served or delivered in the electronic form and authenticated;
- (c) such applications, returns, reports, statement of accounts, registers, bye-laws or any other particulars or documents and returns filed under this Act or the rules made thereunder shall be maintained by the Central Registrar in the electronic form and registered or authenticated, as the case may be;
- (d) such inspection of bye-laws, returns, reports, statement of accounts or any other particulars or documents maintained in the electronic form, as is otherwise available for inspection under this Act or the rules made thereunder, may be made by any person through the electronic form; and

1 Substituted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023. Prior to substitution, clause (a) read as under: "(a) annual report of the activities"

2 Substituted, *ibid.* Prior to substitution, clause (f) read as under: "(f) any other information required by the Central Registrar in pursuance of any of the provisions of this Act."

3 Inserted, *ibid.*

(e) such fees, charges or other sums payable under this Act or the rules made thereunder shall be paid through the electronic form, in such manner as may be prescribed.

(2) The Central Registrar shall—

- (a) issue certificate of registration;
- (b) register the amendment of bye-laws;
- (c) register change of registered office;
- (d) register any document;
- (e) issue any certificate;
- (f) issue notice; and
- (g) receive such communication as may be required to be registered or issued or recorded or received, as the case may be,

under this Act or the rules made thereunder or perform duties or discharge functions or exercise powers under this Act or the rules made thereunder or do any act which is by this Act directed to be performed or discharged or exercised or done by the Central Registrar, in the electronic form in such manner as may be prescribed.

#### **120B. Application of Banking Regulation Act, 1949**

The provisions of this Act shall apply to a multi-State co-operative society in respect of matters relating to incorporation, regulation and winding up:

PROVIDED that in case of a multi-State co-operative society carrying on the business of banking, the provisions of the Banking Regulation Act, 1949 (10 of 1949) shall also apply.]

#### **121. Certain Acts not to apply**

(1) The provisions of '[the Companies Act, 2013 (18 of 2013) and the Competition Act, 2002 (12 of 2003)] shall not apply to the multi-State co-operative societies.

(2) The multi-State co-operative societies registered or deemed to be registered under the provisions of this Act shall not indulge in monopolistic and restrictive trade practices as defined in the Monopolies and Restrictive Trade Practices Act, 1969.

#### **122. Central Government's power to give directions to specified multi-State co-operative societies in public interest**

If the Central Government is satisfied that in the public interest or for the purposes of securing proper implementation of co-operative production and other developmental programmes approved or undertaken by the Central Government or to secure proper management of the business of the specified multi-State co-operative societies generally or for preventing the affairs of such society being conducted in a manner detrimental to the interests of the members, any depositors or creditors thereof, it is necessary to issue directions to any class of specified multi-State co-operative societies generally or to any specified multi-State co-operative society or societies in particular, the Central Government may issue directions to it or to them, from time-to-time, and all such specified multi-State co-operative society or the societies concerned, as the case may be, shall be bound to comply with such directions.

1 Substituted for "the Companies Act, 1956" and "the Monopolies and Restrictive Trade Practices Act, 1969" the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

**123. Supersession of board of specified multi-State co-operative society**

(1) If in the opinion of the Central Government, the board of any specified multi-State co-operative society is persistently making default or is negligent in the performance of the duties imposed on it by this Act or the rules or the bye-laws<sup>1</sup> [or has committed any act including fraud, misappropriation and the like which is prejudicial to the interests of the society or its members, or has omitted or failed to comply with any directions given to it under section 122 in public interest or that there is a stalemate in the constitution or functions of the board or the Co-operative Election Authority has failed to conduct elections in accordance with the provisions of this Act, the Central Government may, after giving the board an opportunity to state its objections, if any, and considering the objections, if received, by order in writing, supersede or suspend the board and appoint one or more administrators, who need not be members of the society, to manage the affairs of the society for such period not exceeding six months, as may be specified in the order:]

<sup>2</sup>[PROVIDED that while taking a decision for supersession or suspension on grounds of failure to conduct election, such action shall only be taken if the Board had not given requisition to hold election to the 'Co-operative Election Authority within the time limit or not extended necessary' assistance as per the provisions of section 45.]

(2) The Central Government may fix such remuneration for the administrators, as it may think fit and the remuneration shall be paid out of the funds of the specified multi-State co-operative society.

(3) The administrator shall, subject to the control of the Central Government and to such instructions as it may from time-to-time give, have power to exercise all or any of the functions of the board or of any officer of the specified multi-State co-operative society and take all such actions as may be required in the interests of the society.

(4) Save as otherwise provided in sub-section (5), the administrator shall, before the expiry of his term of office, arrange for the constitution of a new board in accordance with the bye-laws of the specified multi-State co-operative society.

(5) If, at any time during the period the administrator is in office, the Central Government considers it necessary or expedient so to do, it may, by order in writing giving reasons therefore, direct the administrator to arrange for the constitution of a new board for such specified multi-State co-operative society in accordance with the bye-laws of such society and immediately on the constitution of such board, the administrator shall hand over the management of such society to such newly constituted board and cease to function.

(6) Where a specified multi-State co-operative society is indebted to any financial institution, the Central Government shall, before taking any action, under sub-section (1) in respect of that society, consult the financial institution.

1 Substituted for "or has committed any act which is prejudicial to the interests of the society or its members, or has omitted or failed to comply with any directions given to it under section 122 or that there is a stalemate in the constitution or functions of the board, the Central Government may, after giving the board an opportunity to state its objections, if any, and considering the objections, if received, by order in writing, remove the board and appoint one or more administrators, who need not be members of the society, to manage the affairs of the society for such period not exceeding six months, as may be specified in the order which period may, at the discretion of the Central Government, be extended from time-to-time; so, however, that the aggregate period does not exceed one year:" by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

2 Substituted, *ibid.* Prior to substitution, proviso read as under:

"PROVIDED that in the case of a co-operative bank, the provisions of this sub-section shall have effect as if for the words "one year", the words "two years" had been substituted."

<sup>1</sup>[*Explanation* : For the purposes of section 122 and this section, the expression "specified multi-State co-operative society" means any multi-State co-operative society where there is Government shareholding or loan or financial assistance or any guarantee by the Government.]

#### 124. Power to make rules

(1) The Central Government may, by notification, make rules to carry out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

- (a) the form to be used, the particulars to be given and the conditions to be complied with in making of applications under section 6 for the registration of a multi-State co-operative society and the procedure in the matter of such applications;
- <sup>2</sup>[(aa) the guidelines under sub-section (2) of section 7;
- (b) the matters in respect of which a multi-State co-operative society may make bye-laws under sub-section (2) of section 10;
- (c) the manner in which the order of refusal to register any amendment of the bye-laws shall be communicated under sub-section (9) of section 11;
- (d) the manner in which a multi-State co-operative society shall have a principal place of business and registered address under section 14;
- (e) the procedure and conditions for change in the extent of the liability of a multi-State co-operative society under section 16;
- (f) the manner in which order of refusal to register an amendment of bye-laws shall be communicated under sub-section (4) of section 22;
- (g) the classification of federal co-operative and other terms and conditions applicable to it under sub-section (3) of section 23;
- (h) the restriction on holding the share capital of the society other than a member referred to in section 33;
- (i) the constitution and powers of smaller body representing the general body under the proviso to sub-section (1) of section 38;
- (j) the period within which annual general meeting be called and the procedure at such meetings and the powers to be exercised by such meeting under section 39;
- <sup>2</sup>[(ja) the manner in which the board of a multi-State co-operative society shall provide information, documents, personnel, funds or expenses or any other assistance as sought by the Co-operative Election Authority for conducting elections under clause (a) of sub-section (2) of section 43;]
- <sup>3</sup>[(k) the composition of the Selection Committee for appointment of Chairperson, Vice-Chairperson and Members of the Co-operative Election Authority under sub-section (1) of section 45;

1 Substituted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023. Prior to substitution, Explanation read as under:

"*Explanation* : For the purposes of sections 122 and 123, "specified multi-State co-operative society" means any multi-State co-operative society in which not less than fifty-one per cent of the paid-up share capital, or of total shares, is held by the Central Government."

2 Inserted, *ibid*.

3 Substituted, *ibid*. Prior to substitution, clause (k) read as under:

"(k) the election of members of the board under sub-section (2) of section 45 through secret ballot;"



- (ka) the qualification and experience for appointment of Member of the Authority under clause (iii) of sub-section (3) of section 45;
- (kb) the salaries and allowances payable to, and other terms and conditions of service of the Chairperson, Vice-Chairperson and Members of the Authority under sub-section (5) of section 45;
- (kc) the other powers and functions of Chairperson under section 45A;
- (kd) the procedure of inquiry under sub-section (2) of section 45B;
- (ke) time, places and the procedure to be observed by the Authority in regard to transaction of business at its meetings under sub-section (1) of section 45H;
- (kf) other functions of the Authority under clause (iii) of section 45-I;
- (kg) the manner of election of members of board by secret ballot under sub-section (3) of section 45J;
- (kh) the manner of bearing the expenses for holding elections by the Authority under sub-section (6) of section 45J;
- (ki) the manner of discharge of functions by the Returning Officers and observers under sub-section (1) and clause (a) of sub-section (3) of section 45K;
- (kj) other functions of the observers under clause (a) of sub-section (3) of section 45K;
- (l) the nomination of members under the second proviso to sub-section (1) of section 48;
- (m) the additional measures and acts which may be taken or, as the case may be, done by the board under section 49;
- <sup>1</sup>[(ma) the procedure for recruitment of employees under proviso to clause (e) of sub-section (2) of section 49;]
- (n) the salary and allowances payable to and other terms and conditions of the Chief Executive under sub-section (3) of section 51;
- <sup>2</sup>[\*\*\*]
- (p) the persons by whom and the form in which copies of entries in books of multi-State co-operative societies may be certified under section 58 and the charges to be levied for the supply of such copies;
- (q) providing aid to multi-State co-operative societies on certain terms and conditions under clause (g) of section 61;
- <sup>1</sup>[(qa) the manner of maintenance of fund under clause (b) of sub-section (1) of section 63;]
- (r) the conditions under which profits may be distributed to the members of a multi-State co-operative society and the maximum rate of dividend which may be paid by the multi-State co-operative societies under section 63;
- (s) establishment of contributory provident fund under sub-section (1) of section 69;
- <sup>1</sup>[(sa) the manner of appointment of Co-operative Ombudsman and submission of complaints to such Ombudsman under sub-section (1) of section 85A;

1 Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

2 Clause (o) omitted, *ibid* Prior to omission, it read as under:

“(o) the conditions subject to which the board may constitute an Executive Committee and other committees or sub-committees under sub-section (1) of section 53;”

- (sb) the manner of filing an appeal by society against directions of Ombudsman under sub-section (3) of section 85A;
- (sc) other matters under clause (d) of sub-section (5) of section 85A;]
- (t) the manner of disposing of the surplus under clause (k) of sub-section (2) of section 90;
- (u) the manner in which surplus assets be divided by the Central Registrar with the previous section of the Central Government under clause (b) of section 91;
- (v) the appellate authority to be specified under sub-section (2) of section 99;
- (w) the procedure under section 103 for reconstitution and reorganisation of societies which became the multi-State co-operative societies consequent on reorganisation of States;
- <sup>1</sup>[(wa) the manner of recovery and deposit of proceeds of unlawful gains under sub-section (6) of section 104;
- (wb) the manner to make an application with such fee for the purpose of getting information under sub-section (2) of section 106;]
- (x) the inspection of records of the society on payment of fees under clause (b) of sub-section (2) of section 107;
- <sup>1</sup>[(xa) the manner of powers being exercised by the Central Government in respect of matters relating to filing of applications, documents, inspections and the like in electronic form under sub-section (1) of section 120A;
- (xb) the manner of discharging the functions or exercising powers with respect to matters mentioned therein by the Central Registrar in electronic form under sub-section (2) of section 120A;]
- (y) any other matter which is required to be, or may be, prescribed.

<sup>2</sup>[(3) Every rule made under this section and any notification issued under section 116 shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree that the rules and any notification issued under section 116 should not be made, the rule and any notification issued under section 116 shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule and any notification issued under section 116.]

## 125. Power to remove difficulties

(1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as may appear to be necessary for removing the difficulty:

1 Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

2 Substituted, *ibid.* Prior to substitution, sub-section (3) read as under:

"(3) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule."

PROVIDED that no order shall be made under this section after the expiry of two years from the commencement of this Act.

[(1A) Notwithstanding anything contained in sub-section (1), if any difficulty arises in giving effect to the provisions of this Act as amended by the Multi-State Co-operative Societies (Amendment) Act, 2023, the Central Government may, by order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as may appear to it to be necessary for removing the difficulty:

PROVIDED that no such order shall be made under this section after the expiry of a period of two years from the date of commencement of the Multi-State Co-operative Societies (Amendment) Act, 2023.]

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

### 126. Repeal and saving

(1) The Multi-State Co-operative Societies Act, 1984 is hereby repealed.

(2) Without prejudice to the provisions contained in the General Clauses Act, 1897 with respect to repeals, any notification, rule, order, requirement, registration, certification, notice, decision, direction, approval, authorisation, consent, application, request or thing made, issued, given or done under the Multi-State Co-operative Societies Act, 1984 shall, if in force at the commencement of this Act, continue to be in force and have effect as if made, issued, given or done under the corresponding provisions of this Act.

(3) Every multi-State co-operative society, existing immediately before the commencement of this Act which has been registered under the Co-operative Societies Act, 1912 or under any other Act relating to Co-operative Societies in force, in any State or in pursuance of the provisions of the Multi-State Co-operative Societies Act, 1942, or the Multi-state Co-operative Societies Act, 1984, shall be deemed to be registered under the corresponding provisions of this Act, and the bye-laws of such society shall, insofar as they are not inconsistent with the provisions of this Act, or the rules, continue to be in force until altered or rescinded.

(4) All appointments, rules and orders made, all notifications and notices issued and all suits and other proceedings instituted under any of the Acts referred to in sub-section (1) shall, insofar as they are not inconsistent with the provisions of this Act, be deemed to have been respectively made, issued and instituted under this Act, save that an order made cancelling the registration of a multi-State co-operative society shall be deemed, unless the society has already been finally liquidated, to be an order made under section 86 for its being wound up.

(5) The provisions of this Act shall apply to—

- (a) any application for registration of a multi-State co-operative society;
- (b) any application for registration of amendment of bye-laws of a multi-State co-operative society,

pending at the commencement of this Act and to the proceedings consequent thereon and to any registration granted in pursuance thereof.

(6) Save as otherwise provided in this Act, any legal proceeding pending in any court or before the Central Registrar or any other authority at the commencement of this Act shall be continued to be in that court or before the Central Registrar or that authority as if this Act had not been passed.

1 Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

**THE FIRST SCHEDULE***[Refer Section 3(g)]***CO-OPERATIVE PRINCIPLES**

- 1 Voluntary and Open Membership—Co-operatives are voluntary organisations, open to all persons capable of using their services and willing to accept the responsibilities of membership, without discrimination on basis of gender, social inequality, racial, political ideologies or religious consideration.
- 2 Democratic Member Control—Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and decision making. Elected representatives of these co-operatives are responsible and accountable to their members.
- 3 Member's Economic Participation—Members contribute equitably and control the capital of their Co-operative democratically. At least a part of the surplus arising out of the economic results would be the common property of the co-operatives. The remaining surplus could be utilised benefiting the members in proportion to their share in the Co-operative.
- 4 Autonomy and Independence Co-operatives are autonomous, self-help organisations controlled by their members. If co-operatives enter into agreement with other organisations including Government or raise capital from external sources, they do so on terms that ensure their democratic control by members and maintenance of Co-operative autonomy.
- 5 Education, Training and Information—Co-operatives provide education and training to their members, elected representatives and employees so that they can contribute effectively to the development of their Co-operatives. They also make the general public particularly young people and leaders aware of the nature and benefit of co-operation.
- 6 Co-operation among co-operatives—Co-operatives serve their members most effectively and strengthen the co-operative movement, by working together through available local, regional, national and international structures.
- 7 Concern for Community—While focusing on the needs of their members, co-operatives work for the sustainable development of communities through policies accepted by their members.

**THE SECOND SCHEDULE***[Refer Sections 3(r) and 116]***LIST OF NATIONAL CO-OPERATIVE SOCIETIES**

1. National Co-operative Land Development Banks Federation Limited, Mumbai.
2. National Federation of State Co-operative Banks Limited, Mumbai.
3. National Co-operative Union of India Limited, New Delhi.
4. National Agricultural Co-operative Marketing Federation of India Limited, New Delhi.
5. National Co-operative Consumer's Federation of India Limited, New Delhi.
6. National Federation of Co-operative Sugar Factories Limited, New Delhi.

7. National Federation of Industrial Co-operative Limited, New Delhi.
8. National Co-operative Housing Federation Limited, New Delhi.
9. Indian Farmer's Fertiliser Co-operative Limited, New Delhi.
10. All India Federation of Co-operative Spinning Mills Limited, Mumbai.
11. All Indian Industrial Co-operative Banks Federation Limited, Bangalore.
12. National Co-operative Dairy Federation of India Limited, Anand.
13. Petrofils Co-operative Limited, Vadodara.
14. National Heavy Engineering Co-operative Limited, Pune.
15. All Indian Handloom Fabrics Marketing Co-operative Society Limited, New Delhi.
16. National Federation of Urban Co-operative Banks and Credit Societies Limited, New Delhi.
17. Krishak Bharati Co-operative Limited, New Delhi.
18. National Federation of Fishermen's Co-operative Limited, New Delhi.
19. National Federation of Labour Co-operative Limited, New Delhi.
20. National Co-operative Tobacco Grower's Federation, Anand.
21. Tribal Co-operative Marketing Development Federation of India Limited, New Delhi.

### THE THIRD SCHEDULE

[See clause (h) of sub-section (1) of section 43]

Sl. No.	Name of the Act	Act Number
1.	The Indian Stamp Act, 1899	2 of 1899.
2.	The Reserve Bank of India Act, 1934	2 of 1934.
3.	The Central Excise Act, 1944	1 of 1944.
4.	The Industries (Development and Regulation) Act, 1951	65 of 1951.
5.	The Prevention of Food Adulteration Act, 1954	37 of 1954.
6.	The Essential Commodities Act, 1955	10 of 1955.
7.	The Securities Contracts (Regulation) Act, 1956	42 of 1956.
8.	The Wealth-Tax Act, 1957	27 of 1957.
9.	The Customs Act, 1962	52 of 1962.
10.	The Prize Chits and Money Circulation Schemes (Banning) Act, 1978	43 of 1978.
11.	The Sick Industrial Companies (Special Provisions) Act, 1985	1 of 1986.
12.	The Securities and Exchange Board of India Act, 1992	15 of 1992.
13.	The Foreign Trade (Development and Regulation) Act, 1992	22 of 1992.
14.	The Foreign Exchange Management Act, 1999	42 of 1999.
15.	The Competition Act, 2002	12 of 2003.
16.	The Prevention of Money-Laundering Act, 2002	15 of 2003.
17.	The Companies Act, 2013	18 of 2013.]

1 Inserted by the Multi-State Co-operative Societies (Amdt.) Act, 2023 (Act No. 11 of 2023), dt. 3-8-2023, w.e.f. 3-8-2023, vide SO 3493(E), dt. 3-8-2023.

# THE MULTI-STATE CO-OPERATIVE SOCIETIES RULES, 2002

[GSR 790(E), dt. 2-12-2002]

(As amended vide GSR 591(E), dt. 4-8-2023, w.e.f. 4-8-2023)

In exercise of the powers conferred by section 124 of the Multi-State Co-operative Societies Act, 2002 (39 of 2002), the Central Government hereby make the following rules, namely:—

## CHAPTER I PRELIMINARY

### 1. Short title and commencement

(1) These rules may be called the Multi-State Co-operative Societies Rules, 2002.

(2) These rules shall come into force on the date<sup>1</sup> of their publication in the Official Gazette.

### 2. Definitions

In these rules, unless the context otherwise requires,—

- (i) “Act” means the Multi-State Co-operative Societies Act, 2002 (39 of 2002);
- (ii) “authorised officer” means an officer authorised by the Central Government for the purpose of section 103 of the Act;
- <sup>2</sup>[(iib) “Chairperson” means the Chairperson of the Co-operative Election Authority established under sub-section (1) of section 45;]
- (iii) “decree” means any decree of a civil court and includes any decision or order referred to in section 94 of the Act;
- (iv) “decree holder” means any person holding a decree as defined in clause (iii);
- (v) “defaulter” means any Multi-State Co-operative Society, any co-operative society, member or any other person committing default;
- <sup>2</sup>[(va) ‘Electronic registry’ means the electronic repository or storage system set up by the Central Government under rule 37D;]
- (vi) “Form” means a Form appended to these rules;
- (vii) “general meeting” means a meeting of the general body including a representative general body referred to in the first proviso to sub-section (1) of section 38;
- (viii) “judgment debtor” means any Multi-State Co-operative Society against which or any person against whom a decree has been obtained;
- (ix) “recovery officer” means any person authorised to execute the powers of the Central Registrar under section 94;
- (x) “Sale Officer” means a person authorised by the Central Registrar by a general or special order, to attach and sale the property of judgment debtor or to execute any decree by attachment or sale of property;
- (xi) “section” means a section of the Act;

<sup>1</sup> Enforced w.e.f. 2-12-2002.

<sup>2</sup> Inserted vide GSR 591(E), dt. 4.8.2023, w.e.f. 4.8.2023.

- (xii) "Schedule" means Schedule appended to these rules;
- <sup>1</sup>[(xiii) words and expressions used and not defined in these rules, but defined in the Act, the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 (18 of 2016) and the Information Technology Act, 2000 (21 of 2000) or under any rules, notifications, or directions issued under those Acts, shall have the same meanings respectively assigned to them in those Acts.]

## CHAPTER II

### REGISTRATION

#### 3. Application for registration

(1) An application for registration of a Multi-State Co-operative Society under sub-section (1) of section 6 shall be made in Form I and shall, subject to the provisions of sub-section (2) of section 6 and sub-rules (2), (3), (4) and (5) of these Rules be signed by the applicants and be accompanied by:

- (a) four copies of the proposed bye-laws of the Multi-State Co-operative Society, duly signed by each of the persons who sign the application for registration;
- <sup>2</sup>[(b) the list of persons who have contributed to the share capital, together with the amount contributed by each of them and the admission fee paid by them along with their ID-address proofs duly attested by the Chief Promoter;]
- (c) a certificate from the bank or banks stating the credit balance in favour of the proposed Multi-State Co-operative Society;
- (d) a scheme showing the details explaining how the working of the Multi-State Co-operative Society will be economically sound and the registration of such Multi-State Co-operative Society will be beneficial for social and economic betterment of its members through self-help and mutual aid in accordance with the co-operative principles;
- (e) certified copy of the resolution of the promoters which shall specify the name and address of one of the applicants to whom the Central Registrar may address correspondence under the rules before registration and dispatch or hand over registration documents.
- <sup>3</sup>[(f) primary multi-State co-operative societies having objects and functions relating to credit or having multi-purpose objects shall be registered initially with two States or the Union Territories as area of operation;
- (g) societies having objects and functions relating to credit or having multi-purpose objects shall be required to submit the following documents, namely:—
  - (i) no objection certificate from the Registrar of Cooperative Societies of the States or the Union territories concerned where the proposed area of operation of the society extends;

1 Substituted vide GSR 591(E), dt. 4.8.2023, w.e.f. 4.8.2023. Prior to substitution, clause (xiii) read as under:

"(xiii) Words and expressions defined in the Act and used but not defined in these rules shall have the meanings respectively assigned to them in the Act."

2 Substituted vide GSR 798(E), dt. 16-8-2016, w.e.f. 17-8-2016. Prior to substitution, clause (b) read as under:

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

3 Inserted, *ibid*.

- (ii) verification certificate of the background and other credentials of the Chief Promoter and Promoters duly certified by the Registrar of Cooperative Societies of the State where the Registered Office of the Society is proposed to be located;
- (h) societies other than 'National Cooperative Societies' as defined in clause (r) of section 3 of the Act shall not be permitted to use the words "National, Indian, Bhartiye, Rashtriye" or equivalent in their names and the name of the society shall not violate the provisions of the "Emblems and Names (Prevention of Improper Use) Act, 1950 (12 of 1950).]

(2) Where any member of a Multi-State Co-operative Society to be registered is a Multi-State Co-operative Society or a co-operative society, the Chairperson or Chief Executive or a member duly authorised by Board of Directors or the governing body of such Multi-State Co-operative Society or co-operative society, as the case may be, shall be authorised by that board by a resolution, to sign the application for registration and bye-laws on its behalf, and a copy of such resolution shall be appended to the application.

(3) Where the members of a Multi-State Co-operative Society to be registered are co-operative societies or Multi-State Co-operative Societies and individuals, such application shall be signed by individuals and authorised representative of such co-operative society or Multi-State Co-operative Society.

(4) Where any member of Multi-State Co-operative Society to be registered is a Government Company, a corporate body or a society registered under the Societies Registration Act, 1860 (21 of 1860) such member shall duly authorise any person to sign the application for registration and the bye-laws on its behalf and a copy of such resolution giving such authority shall be appended to the application.

(5) A copy of the resolution indicating the name of one or more applicants, who are authorised to make alterations or additions to the proposed bye-laws submitted with the application, as may be suggested by the Central Registrar, shall be submitted.

(6) The application shall either be sent by registered post or delivered by hand to the Central Registrar in his Office.

#### **4. Registration**

(1) On receipt of an application under rule 3, the Central Registrar shall enter the particulars of the application in the register of applications to be maintained in Form II, give a serial number to the application and issue a receipt in acknowledgement thereof.

(2) If the Central Registrar is satisfied that the proposed Multi-State Co-operative Society has complied with the requirements of the Act and the rules, he may register the society and its bye-laws.

(3) Where the Central Registrar registers a Multi-State Co-operative Society, he shall issue to the said society a certificate of registration signed by him and bearing his official seal containing registration number and date of registration of the said society. The Central Registrar shall also issue, alongwith the certificate of registration, a certified copy of the bye-laws, as approved and registered by him, which shall be the registered bye-laws of the said society for the time being in force.

#### **5. Refusal of registration**

(1) The order of refusal to register a Multi-State Co-operative Society referred to in sub-section (3) of section 7 shall be communicated through registered post to the person referred to in clause (e) of sub-rule (1) of rule 3, of the proposed society.



(2) The manner of communication of orders refusing the registration under sub-rule (1) shall be the conclusive proof for refusal of the registration of the proposed society.

#### 6. Bye-laws

Every Multi-State Co-operative Society applying for registration under this Act may make bye-laws consistent with the provisions of this Act and the rules made thereunder and model bye-laws, if any, framed by the Central Registrar. The subject matter of the bye-laws shall be as provided in section 10 and other relevant provisions of the Act and rules made thereunder. In addition, the bye-laws may also include,—

- (i) Procedure and manner of redemption of shares.
- (ii) The provisions of office bearers of the society, the terms and conditions, their functions and responsibilities other than those specified in the Act.
- (iii) Constitution of various funds as required under the Act and Rules.
- (iv) Rate of dividend subject to maximum of the rates specified in the bye-laws.
- (v) The procedure for the association and representation of employees of the society.
- (vi) Constitution of the committees of the board.
- (vii) The procedure of election or selection for constitution of smaller body of delegates.
- (viii) The method of recruitment, the condition of service and the authority competent to fix, revise or regulate the scales of pay and allowance to be paid to the officers and other employees of the society and the procedure to be followed in the disposal of disciplinary cases.
- (ix) The constitution and powers of the representative general body and the restrictions subject to which this body may exercise its powers.

#### 7. Refusal of amendment of bye-laws

(1) Where the Central Registrar refuses to register an amendment of bye-laws of a Multi-State Co-operative Society under sub-section (9) of section 11, he shall communicate the order of refusal together with the reasons therefor to the chief executive of a Multi-State Co-operative Society, through registered post.

(2) The manner of communication of the order of refusal under sub-rule (1) shall be conclusive proof that the amendments of bye-laws have been refused and communicated to the society.

#### 8. Principal place of business and address

(1) Every Multi-State Co-operative Society shall have one principal place of business which shall be the registered office of the society and shall be specified in the bye-laws.

(2) Every change in principal place of business of a Multi-State Co-operative Society shall be made by an amendment of its bye-laws after following the procedure laid down in section 11 of the Act.

(3) Any change in registered office of a Multi-State Co-operative Society, the same shall be notified to the Central Registrar within a period of fifteen days of its change.

[(4) A multi-State co-operative society, not being a co-operative bank, may open branches or places of business in any place in India with the prior approval of the Central Registrar and the same shall be granted, subject to proper functioning of the society.]

**9. Maintenance of Registration file by the society**

(1) Every Multi-State Co-operative Society shall maintain at its registered address, a registration file containing,—

- (a) the certificate of registration;
- (b) the registered bye-laws;
- (c) all registered amendments to the bye-laws alongwith the certificates of registration of amendments;
- (d) a copy of the Act and the rules.

(2) The registration file shall be kept open for inspection at all times during working hours to the Central Registrar or any other officer authorised by him or any member of the Multi-State Co-operative Society.

**10. Change in name of Multi-State Co-operative Society**

(1) The name of a Multi-State Co-operative Society may be changed after following the procedure given in section 11, however, that it does not refer to any caste or religion denomination and is not inconsistent with the objects of the Multi-State Co-operative Society.

(2) Every change in the name of the Multi-State Co-operative Society shall be made by an amendment of its bye-laws.

(3) After the change in the name is approved by the Central Registrar the Multi-State Co-operative Society shall send the original registration certificate for amendment to the Central Registrar who shall return the same to the Multi-State Co-operative Society duly amended.

**11. Conditions to be complied with for membership**

(1) No person shall be admitted as a member of a Multi-State Co-operative Society unless,—

- (a) he has applied in writing in the form, if any, laid down by the Multi-State Co-operative Society or in the form specified by the Central Registrar, if any, for membership;
- (b) his application is approved by the board of the Multi-State Co-operative Society;
- (c) he has purchased the minimum number of shares and paid the value thereof in full or in part in such calls as may be laid down in the bye-laws of the Multi-State Co-operative Society;
- (d) he has fulfilled all other conditions laid down in the Act, the rules and the bye-laws;
- (e) in the case of a Multi-State Co-operative Society or a co-operative society or the national co-operative society or any other corporation owned or controlled by the Government or any Government or any Government company or body of persons whether incorporated or not, the application for membership shall be accompanied by a resolution authorising it to apply for such membership.

(2) No person shall be eligible for admission as a member of a Multi-State Co-operative Society if he:—

- (a) has not attained the age of 18 years;
- (b) has been adjudged by a competent court to be an insolvent or an undischarged insolvent;

- (c) has been sentenced for any offence, other than offence of a political character or an offence not involving moral turpitude and dishonesty and a period of five years has not elapsed from the date of expiry of the sentence.

(3) Notwithstanding anything contained in these rules or the bye-laws of the Multi-State Co-operative Society, if a member becomes or has already become subject to any disqualifications specified in sub-rule (2), he shall be deemed to have ceased to be a member of the society from the date when the disqualification was incurred.

(4) No individual being a member of a primary level Multi-State Co-operative Society or a Multi-State credit Society, or a Multi-State urban Co-operative Bank, shall be the member of any other Multi-State Co-operative society or co-operative society of the same class without the general or special permission of the Central Registrar and where an individual has become a member of two such co-operative societies aforesaid, then either or both of the societies shall be bound to remove him from membership on written requisition from the Central Registrar to that effect:

<sup>1</sup>[PROVIDED that if on direction of the Central Registrar such a member has been removed from the membership of both the Multi-State Co-operative Societies, on application of such a member any of such primary Multi-State Co-operative Society may consider to admit such a person as its member.]

(5) No Multi-State Co-operative Society shall admit members within thirty days prior to the date of the meeting of its general body.

## **<sup>2</sup>[CHAPTER IIA**

### **PRUDENTIAL NORMS FOR MULTI-STATE CO-OPERATIVE SOCIETIES**

#### **11A. Prudential norms**

(1) Multi-State co-operative societies in the thrift and credit business shall be categorised on the basis of their deposits into following categories—

- (a) micro;
- (b) small;
- (c) medium; and
- (d) large.

(2) Prudential norms for different categories of societies referred to in sub-rule (1) may be notified by the Central Government, which includes—

- (a) minimum aggregate value of paid-up capital and authorised share capital required for commencement of business in case of new registration;
- (b) categorisation of capital into various tiers and limits for each tier;
- (c) capital adequacy ratio and risk weightage of different items;
- (d) requirement of buffers for liquidity management;
- (e) exposure limits in case of individual or group borrowers, aggregate borrowers and sectoral borrowers;
- (f) norms for branch expansion; and
- (g) disclosures.

#### **11B. Restrictions on grant of loans by a multi-State co-operative society**

(1) No multi-State co-operative society shall grant loan or make advances against the security of its own shares.

<sup>1</sup> Inserted vide GSR 717(E), dt. 12-11-2007, w.e.f. 15-11-2007.

<sup>2</sup> Inserted vide GSR 591(E), dt. 4.8.2023, w.e.f. 4.8.2023.

(2) The total amount of loans granted by a multi-State co-operative society to the members of its board, including their relatives, and outstanding against them in the aggregate shall not exceed ten per cent. of the total amount of all the loans granted by the society and outstanding against its members, at any time.

(3) No multi-State co-operative society shall give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person of or for any shares in that multi-State co-operative society.]

### CHAPTER III

#### FEDERAL CO-OPERATIVES

##### 12. Classification of federal co-operatives

(1) The federal co-operative societies may be classified with reference to the nature of their activities. Not more than one federal co-operative society shall be registered in similar and identical objects in same area of operation.

(2) The federal co-operatives for the sake of promotion of their constituent members will make suitable provisions in their bye-laws to avoid competition with the member societies.

### CHAPTER IV

#### MANAGEMENT OF MULTI-STATE CO-OPERATIVE SOCIETIES

##### 13. Annual General Meeting

(1) Every Multi-State Co-operative Society, shall hold the annual general meeting of its members not later than a period of six months after the close of co-operative year. All the general meetings shall be called at the principal place of the society.

(2) Without prejudice to the provisions of sub-section (3) of section 38 of the Act, a Multi-State Co-operative Society with a membership exceeding one thousand may provide in its bye-laws for the constitution of a smaller body. The small body so constituted shall exercise all such powers of the general body as may be specified in the bye-laws.

##### 14. Interim board and general meeting for the first election

The first general meeting of the society shall be held within six months of the registration of the society by the promoter members for the election of the board of directors. The interim board selected by the applicants for the registration of a Multi-State Co-operative Society shall hold office till the regular board is elected.

##### 15. Notice for general meeting

(1) Annual general meeting of a Multi-State Co-operative Society may be called by giving not less than fourteen days' notice in writing.

(2) Special general meeting of a Multi-State Co-operative Society may be called by giving not less than seven days' notice in writing.

(3) When a general meeting is called by the Central Registrar or any person authorised by him under sub-section (2) of section 39 or a special general meeting under sub-section (2) of section 40, he may determine:—

(i) the period of notice of such meeting which shall not be less than seven days;

(ii) the time and place of such meeting; and

(iii) the subjects to be considered in such meeting. The Central Registrar or any person authorised by him may preside over such meeting.

(5) The notice of annual general meeting shall be accompanied by a copy each of the audited balance sheet, profit and loss account, together with the auditor's report thereon relating to the preceding year and the report of the board, amendment of bye-laws, if any and election of members of the board, if any.

#### **16. Quorum at a general meeting**

(1) Unless otherwise provided in the bye-laws, the quorum for a general meeting shall be one-fifth of the total number of members of the general body of a Multi-State Co-operative Society.

(2) No business shall be transacted at any general meeting unless there is a quorum at the time when the business of the meeting is due to commence.

(3) If within half-an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned:

PROVIDED that a meeting which has been called on requisition of the members shall not be adjourned but dissolved.

(4) If at any time during the meeting sufficient number of members are not present to form the quorum the Chairperson or the member presiding over the meeting on his own, or on his attention being drawn to this fact, shall adjourn the meeting and the business that remains to be transacted at this meeting, if any, shall be disposed of in the usual manner at the adjourned meeting.

(5) Where a meeting is adjourned under sub-rule (3) or sub-rule (4), the adjourned meeting shall be held either on the same day or on such date, time and place as may be decided by the Chairperson or the member presiding over the meeting, but within seven days from the date of adjourned meeting.

(6) No business shall be transacted at any adjourned meeting other than the business on the agenda of the adjourned meeting under sub-rule (3) or sub-rule (4).

(7) No quorum shall be necessary in respect of an adjourned general meeting.

#### **17. Voting in general meeting**

(1) All resolutions which are put to vote at the general meeting shall be decided by a majority of the members present and voting unless otherwise required under the Act, these rules or the bye-laws of the Multi-State Co-operative Society. Every society shall provide in its bye-laws the procedure and manner of voting and other matters connected therewith.

(2) In the event of an equality of votes, the Chairperson of the meeting, shall have a second or casting vote.

#### **18. Minutes of the general meeting**

Minutes of the proceedings of the general meeting shall be entered in a minutes book kept for the purpose and shall be signed by the Chairperson and Chief Executive of the meeting. The minutes so signed, shall be an evidence of the correct proceedings of that meeting.

**19. Composition of Selection Committee**

(1) The Chairperson of the Authority, the Vice-Chairperson and every Member thereof shall be appointed by the Central Government on the recommendations of a Selection Committee consisting of —

- (a) Secretary, Ministry of Cooperation, - Chairperson, *ex officio*;
- (b) Central Registrar, Member, *ex officio*;
- (c) Additional Secretary, Ministry of Law and Justice, Department of Legal Affairs, Member, *ex officio*; and
- (d) two experts from the co-operative sector to be nominated by the Minister in-charge of the Ministry of Cooperation.

(2) The Selection Committee may regulate its own procedure for recommending the names for selection of Chairperson, Vice-Chairperson and Members of the Authority.

**19A. Qualification and experience for appointment as Member of Authority**

No Member shall be appointed to the Authority, unless he is a person of ability, integrity and standing who has knowledge and experience for a period not less than ten years in the field of co-operatives, law or public administration:

PROVIDED that at least one Member appointed to the Authority shall be a woman.

**19B. Salaries, allowances, and conditions of service of Chairperson, Vice-Chairperson and Members of the Authority**

(1) The Chairperson shall receive such pay including dearness allowance and other allowances as admissible to an Additional Secretary to the Government of India.

(2) The Vice-Chairperson shall receive such pay including dearness allowance and other allowances as admissible to a Joint Secretary to the Government of India.

(3) The Members of the Authority shall receive such pay including dearness allowance and other allowances as admissible to a Director to the Government of India.

(4) In case of appointment of a person as Chairperson, Vice-Chairperson or Member, who is in receipt of, or has received, or has become entitled to receive any retirement benefits by way of pension, the pay and allowances of such Chairperson, Vice-Chairperson or Member, as the case may be, shall be reduced by gross amount of pension, if any, drawn or to be drawn by him.

(5) The Chairperson while on tour or on transfer (including the journey undertaken to join the Authority or on the expiry of his term with the Authority proceeds to his hometown) shall be entitled to the travelling allowances, daily allowances, transportation of personal effects and other similar allowances admissible for an Additional Secretary to the Government of India.

1 Substituted vide GSR 591(E), dt. 4.8.2023, w.e.f. 4.8.2023. Prior to substitution, Rule 19 read as under:

**"19. Procedure for conduct of elections**

(1) The election of members of the board shall be conducted by a returning officer appointed by the board in its meeting. The returning officer so appointed shall not be a member or an employee of the society:

PROVIDED that the Board shall appoint the returning officer from the panel of names/panel of designated officers maintained by the Central Registrar for this purpose:

PROVIDED ALSO that, nothing contained in the first proviso shall affect the appointment of returning officer made prior to the date of publication of this notification and such returning officer shall complete the election process as if this notification has not been issued.

(2) The election of the members of the board referred to in sub-rule (1) shall be conducted by secret ballot in the manner as specified in the Schedule attached with these rules."

(6) The Vice-Chairperson, while on tour or on transfer (including the journey undertaken to join the Authority or on the expiry of his term with the Authority proceeds to his hometown) shall be entitled to the travelling allowances, daily allowances, transportation of personal effects and other similar allowances admissible for a Joint Secretary to the Government of India.

(7) A Member, while on tour or on transfer (including the journey undertaken to join the Authority or on the expiry of his term with the Authority proceeds to his hometown) shall be entitled to the travelling allowances, daily allowances, transportation of personal effects and other similar allowances admissible for a Director to the Government of India.

(8) The Chairperson, Vice-Chairperson and Members shall not be entitled to government accommodation, but shall be entitled to House Rent Allowance applicable to the respective grade officers in the Government of India.

(9) The Chairperson, Vice-Chairperson and Members are not entitled for any sitting fee for attending the meetings of the Authority.

(10) If the conditions of service of the Chairperson, Vice-Chairperson and Members of the Authority under these rules do not provide for any express provision regarding any specific issue, then the same shall be referred to the Central Government for its decision in each case, and the decision of the Central Government thereon shall be final.

#### **19C. Powers and functions of Chairperson**

(1) The Chairperson shall be the administrative head of the Authority and shall have all the administrative and financial powers.

(2) The Chairperson shall have powers of general superintendence and directions in the conduct of the affairs of the Authority.

(3) The Chairperson shall preside over the meetings of the Authority.

(4) The Chairperson shall fix the date, time and place of meetings of the Authority and approve the items of agenda for the meetings.

(5) If meetings of the Authority are to be held in a location other than its Head Office, it shall be at the discretion of the Chairperson.

(6) The Chairperson may include any additional item in the agenda of the meeting, which was not included in the agenda of the meeting for consideration by the Authority.

(7) The Chairperson may grant leave of absence to the Members of the Authority upon advance application by the Members seeking such leave.

#### **19D. Procedure of inquiry against Chairperson, Vice-Chairperson and Members of Co-operative Election Authority**

(1) The Chairperson, Vice-Chairperson or a Member of the Authority shall be removed from office by an order of the Central Government, on the grounds specified in section 45B, after conducting an inquiry as required under sub-section (2) of section 45B.

(2) For holding an inquiry under sub-section (2) of section 45B, the Central Government shall issue a notice to the Chairperson, Vice-Chairperson or a Member, as the case may be, why an inquiry should not be conducted and specifying the reasons and grounds for such inquiry and requiring him to submit his response on the grounds within such period as may be specified in the notice (being not less than fourteen days from the date of service thereof).

(3) After considering the response, if any, submitted by such person, if the Central Government is of the opinion that an inquiry should be held, the Central Government shall appoint an Inquiry Officer who shall issue a notice fixing a date for the appearance of that person either personally or other authorised representative.

(4) On the date fixed for appearance, the Inquiry Officer shall explain the person concerned to proceed about the ground invoked against him.

(5) The Inquiry Officer shall give an opportunity to such person to produce documents or evidence as he may consider relevant to the inquiry and if necessary and the hearing may be adjourned to a future date and in taking such evidence the Inquiry Officer shall not be bound to observe the procedures provided under the provisions of the Indian Evidence Act, 1872 (1 of 1872):

PROVIDED that the notice and the personal hearing may be waived at the request of the person concerned:

PROVIDED FURTHER that while holding an inquiry under this rule, the Inquiry Officer shall have the power to summon and enforce the attendance of any person acquainted with the facts and circumstances of the case to give evidence or to produce any document which, in the opinion of the Inquiry Officer, may be useful for or relevant to, the subject-matter of the inquiry and if any person fails, neglects, or refuses to appear before the Inquiry Officer, the Inquiry Officer may proceed with the inquiry in the absence of such person after recording the reasons for doing so.

(6) The inquiry shall be completed within a period of six months from the date of issue of notice by the Inquiry Officer and the report on the findings of the inquiry shall be submitted to the Central Government.

#### **19E. Meetings of Authority**

(1) The Authority shall meet, as often as may be necessary, to transact its business.

(2) The Authority shall determine its own procedure for holding the meetings and distribution of work amongst themselves.

(3) The quorum for meetings of the Authority shall not be less than three members, including the Chairperson and Vice-Chairperson.

(4) In case of any vacancy, the quorum may be proportionately reduced, with the approval of the Central Government.

#### **19F. Powers and functions of Co-operative Election Authority**

In order to conduct the elections to the co-operative societies, the Authority shall have the following powers, namely :—

- (a) to appoint any person from a panel prepared for the purpose, including an officer or employee, serving or retired, of any multi- State co-operative society, the State Government or the Central Government on any post with such designation and duties, for the purpose of conducting the elections, including the Observers, Returning Officers and Assistant Returning Officers:

PROVIDED that, such officer or employee shall work under the general superintendence and control of the Authority for the purposes of election;

- (b) to requisition any premises, vehicles, services, information, documents, personnel, funds, expenses, materials, or any other assistance from the multi-State co-operative society whose election is being conducted, as he may deem necessary and on service of such requisition, it shall be obligatory on the multi-State co-operative society to whom such requisition



is made, to forthwith hand over the possession of premises, vehicles or any other material, or provide any such assistance, as the case may be, to the Authority or any person authorised by them on that behalf;

- (c) to provide and enforce the code of conduct on the multi-State co-operative society whose election is being conducted, to be implemented in the area of operation of the multi-State co-operative society according to the nature of business or class of societies;
- (d) to appoint Observers, who shall be appointed to supervise elections and discharge such other functions referred to in rule 20A; and
- (e) to issue such other special or general orders or directions for fair and free elections, which shall not be inconsistent with the provisions of the Act.

#### **19G. Procedure for conduct of elections**

(1) The election of members of the board shall be conducted by a Returning Officer, to be appointed by the Authority and the Returning Officer so appointed shall not be a member or an employee of the multi-State co-operative society:

PROVIDED, that the Authority may also appoint one or more persons to be called as the Assistant Returning Officer to assist the Returning Officer, for the conduct of the election to the society.

(2) Every Assistant Returning Officer, shall, subject to the control of the Returning Officer and general control of the Authority, be competent to perform all or any of the functions of the Returning Officer:

PROVIDED that, no Assistant Returning Officer shall perform the functions of the Returning Officer relating to the scrutiny of nominations unless the Returning Officer is unavoidably prevented from performing the said function.

#### **19H. Procedure for conduct of election to the board of multi-State co-operative societies**

(1) The Chairperson and the Chief Executive of the multi-State co-operative society shall inform the Authority at least six months before the expiry of the term of the board, to conduct elections within time and a copy of the information shall also be sent to the Central Registrar.

(2) Within a period of one month from the date of receipt of such information under sub-rule (1), the Authority shall notify the election programme, including the election to the members of the Board and subsequent elections to the posts of office bearers of the multi-State co-operative society and such programme shall include the date of the general meeting wherein elections shall be held:

PROVIDED that the provisions of this sub-rule shall also apply to multi-State co-operative societies under the control of the administrator appointed under sub-section (1) of section 123:

PROVIDED FURTHER that an administrator appointed under sub-section (1) of section 123 shall perform the functions of the board in respect of the society to which he has been appointed as administrator.

(3) The Authority shall appoint a Returning Officer to conduct the elections in respect of the societies referred to in this rule.

(4) The Returning Officer appointed under sub-rule (3) shall send intimation regarding date, time and place of the general meeting to each of the members of the multi-State co-operative society and the Returning Officer may also send such intimation electronically, wherever possible.

(5) Where other co-operative societies or multi-State co-operative societies are members, the Returning Officer shall call on such societies to send the name of their Chairperson or President or the Chief Executive or a duly authorised member of the board of such co-operative society or other multi-State co-operative society as representative (hereinafter referred to as the delegate) in accordance with the provisions contained in sub-section (3) of section 38 together with the resolution of the board of the society and the specimen signature of the Chairperson or President or the Chief Executive or duly authorised member of the board, duly attested and bearing the seal of the society so as to reach him at least twenty-one clear days prior to the date fixed for the general meeting.

(6) Where there is no board of such co-operative society or other multi-State co-operative society, the administrator, or duly authorised administrator, if there are more than one administrators, by whatever name called, shall intimate the Returning Officer in writing under his signature at least twenty-one clear days prior to the date fixed for the general meeting that he or the Chief Executive shall represent such society in the general meeting and where no such resolution or communication intimating the name of the delegate is received by the date fixed or where any intimation changing the name of the delegate is received after such date, it shall not be accepted for inclusion in the list of members or delegates of member-societies.

(7) Fresh resolution shall be required for every general meeting at which election shall be held.

(8) It shall be the duty of the board of directors in office, or the administrator, as the case may be, to bring up to date the register of members and such other registers, as the Returning Officer may require and hand over such records, register or registers to the Returning Officer thirty days prior to the date fixed for the general meeting for the purpose of conducting the election.

(9) The election shall be held at a general meeting of the society convened for the purpose, of which not less than fourteen days' prior notice shall be given to the members.

(10) For the conduct of elections, the Returning Officer shall preside over the meeting, under the supervision of the Authority.

(11) Notice for holding the general meeting shall also be affixed on the notice board of the Multi-State Co-operative Society and its branches, if any, and the notice shall contain the following information, namely:—

- (a) the number of vacancies to be filled by election;
- (b) the area of the constituency (specified in the bye-laws) from which the members are to be elected;
- (c) the qualifications, if any, specified in the bye-laws for eligibility for membership on the board;
- (d) the name of the returning officer, date, place and hours between which nomination paper shall be filed by the members, such date being not less than one clear day before the date fixed for election or if that happens to be a holiday the day preceding which is not a public holiday.

*Explanation:* For the purpose of this sub-rule, the term 'public holiday' means any day which is declared as a public holiday under section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) or any day which has been notified by the Central Government or the State Government, as the case may be, to be a public holiday to the offices of the Central Government or the State Government, as the case may be;

- (e) the date on which and the time and place at which the nomination papers shall be taken up for scrutiny; and
- (f) the date and time of which, the place at which and the time between which, the polling shall take place.

#### **19-I. Preparation of list of members and delegates**

(1) The Returning Officer shall prepare a list of members eligible to vote as it stood on the date, thirty days prior to the date fixed for the poll and publish copies of the list by affixing them on the notice board at the principal place of business of the society and all its branches, if any, not less than fifteen days prior to the date fixed for election and the list shall specify—

- (a) the admission number and name of the member, the name of the father or husband and the address of such member in the case of an individual member; and
- (b) the admission number, the name of the society, name of the delegate proposed to represent the society, in the case of a member society; the admission number, the name of the society, name of the delegate and the name of the constituency proposed to represent in the case of a member society and the admission number, the name of the delegate and the name of the constituency where a smaller body has been constituted under proviso to sub-section (1) of section 38.

(2) 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 board and where no fee has been specified, the person authorised as per bye-laws of the society shall supply such list on payment of rupees ten.

(3) The Returning Officer shall also publish the election programme, as notified by the Authority, specifying the date and time of receipt of nominations, scrutiny of nominations, withdrawal of nominations, the poll, if required, and declaration of results and the election programme shall also be displayed on the notice board of the society and shall also be published in the newspaper circulated in the area of operation of the multi-State co-operative society at least fifteen days prior to the date of election.

#### **19J. Nomination of candidates**

(1) Nomination of the candidate for election shall be made in Form III, which shall be supplied on request, by the Returning Officer or any other officer authorised by him in this behalf, to any member of the society free of cost.

(2) Every nomination form shall be signed by two members whose names are included in the list of the members or delegates and one of the members shall sign the Form as proposer and the other as seconder for the nomination and the nomination Form shall also contain a declaration signed by the candidate, expressing his willingness to contest the election.

(3) Nomination Form may be presented in person by the candidate himself to the Returning Officer or by any person authorised by him in this behalf, before the date and time specified for submission of nomination Form as per the election programme and the Returning Officer or any other officer authorised by him, who receives the nomination Form, shall enter on the nomination Form its serial number and certify the date and time at which the nomination Form has been received by him and shall immediately give a written acknowledgement for the receipt of such nomination Form, which shall also bear the seal of the society.

(4) The Returning Officer shall, at the close of the time fixed for the receipt of nomination Forms, prepare and display on the notice board of the society, a list of nominations received by him and any nomination Form submitted after the date and time fixed for its receipt, shall be rejected.

(5) No person shall be nominated as a candidate for election to fill a seat on the board if he—

- (a) is ineligible to vote;
- (b) is not qualified or is disqualified to be the member of a multi-State co-operative society or a member of the board under the provisions of the Act and the rules made thereunder; and
- (c) does not possess the necessary qualifications specified in the bye-laws of the society for election as member of the board.

#### **19K. Compliance with sections 43 and 44 of the Act**

The eligibility of the candidates for the election of members of the board and office bearers shall be subject to the provisions contained in sections 43 and 44 of the Act.

#### **19L. Scrutiny of nomination papers**

(1) On the day fixed for the scrutiny of nomination papers,—

- (a) the Returning Officer shall, at the appointed hours, take up the scrutiny of nomination Forms and the candidate or the proposer or seconder of each of the candidates may be present at the time and place when nomination papers are scrutinised;
- (b) the Returning Officer shall examine the nomination Forms and shall decide all objections which may be made by any candidate or his proposer or seconder in respect of any nomination and may, either accept or reject any nomination;

PROVIDED that the nomination of a candidate shall not be rejected on the ground of an incorrect description of his name or 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; if the identity of the candidate, proposer or seconder, as the case may be, is established beyond reasonable doubt;

- (c) the Returning Officer shall endorse on each nomination Form his decision of accepting or rejecting the same, as the case may be, and if the nomination paper is rejected, he shall record in writing a brief statement of his reasons for such rejection;
- (d) the Returning Officer shall not allow any adjournment of the proceedings except when proceedings are interrupted or obstructed by a riot or affray or by any other cause beyond his control; and
- (e) list of valid nominations accepted by the Returning Officer shall be published on the notice board of the society containing the names in the alphabetical order in English and address of the candidates as given in the nomination paper.

(2) Any candidate may withdraw his candidature by notice in writing signed by him and delivered in person or by the person duly authorised by him at any time after the presentation of the nomination Form, but before the date and time specified in the election programme for such withdrawal and the notice for withdrawal of candidature given by the candidate shall be irrevocable.

### 19M. Voting

(1) If for any area or constituency for which election is to be held, the number of candidates whose nomination Forms have been declared valid, does not exceed the number of candidates to be elected for that area or constituency, the Returning Officer shall at the general meeting convened for the purpose of the election, declare them to have been duly elected to the board, with the approval of the Authority and if the number of candidates whose nominations are valid exceeds the number of vacancies to be elected for any area or constituency, the Returning Officer shall arrange for conducting the poll on the date and time fixed for the purpose and the Returning Officer may appoint as many polling officers as may be necessary for the conduct of the poll.

(2) A candidate contesting the election, may by a letter, in Form IV, to the Returning Officer, appoint an agent to represent him where polling is held, to identify the voters and to watch the recording of votes and such letter shall also contain the consent in writing of the agent concerned.

(3) Canvassing of votes by any person at the place where elections are to be conducted shall be prohibited.

(4) Before the commencement of the poll, the Returning Officer shall show the empty ballot box to the persons present at the time of commencement of the poll and shall then lock it up and affix his seal to prevent it being opened without breaking the seal and the candidate or his agent may also affix his own seal, if he so desires.

(5) Every member or delegate who desires to exercise his right of vote shall be supplied with a ballot paper containing the names of contesting candidates arranged in alphabetical order either printed, typewritten or cyclostyled, according to convenience, on the ballot paper and the ballot paper shall bear the seal of the society and also the initials of the Returning Officer on the reverse of the ballot paper and contain a column, for the voter to inscribe mark 'X' against the name or names of the persons to whom he intends to cast his vote.

(6) In every polling station, where there is more than one polling booth, each such booth shall contain a separate compartment in which the members or delegates can cast their votes in secrecy.

(7) Every member who desires to cast his votes shall enter the polling station with an identity card, given to him by the society; the polling officer shall identify the member by putting questions to him with reference to the list of members or delegates eligible to vote in the polling station, furnished to him and if the polling officer is satisfied with the identity of the member, and if there is no objection from any candidate or his polling agent present at the polling station, he shall issue a ballot paper to him after obtaining signature or thumb impression of the member or delegate on counterfoil perforated with the ballot paper and the counterfoil shall bear the serial number and other details of the ballot paper and on receipt of such ballot paper, the member shall proceed to the polling compartment set apart for the purpose and indicate the person or persons in whose favour he exercises his vote by inscribing a mark 'X' against the name of the candidate or candidates, as the case may be, and put the ballot paper in the ballot box kept for the purpose with utmost secrecy:

PROVIDED that if owing to blindness or other physical infirmity or illiteracy a member is unable to inscribe the mark on the ballot paper, the polling officer, and where no such polling officer is appointed, the Returning Officer shall ascertain from him the candidate or candidates, in whose favour he desired to vote, inscribe the mark 'X' on his behalf and put the ballot paper in the ballot box.

(8) Every member whose name is entered in the list of members or delegates furnished to the polling officer, shall be eligible to cast his vote unless there is a challenge by the candidate or his agent against his identity and if there is any such challenge about the identity of a member or if the polling officer feels any reasonable doubt, he shall then refer the matter to the Returning Officer, who shall make a summary inquiry and decide the question with regard to the identity of such persons on the basis of records of the society.

(9) The Returning Officer shall not entertain any challenge by a candidate or his polling agent, of a member's identity until the person who challenges pays a fee of rupees five for every such vote and the Returning Officer shall thereafter entertain the challenge and ask the member who has come to poll the vote to affix his thumb impression or signature, as the case may be, on a declaration describing his identity and if he refuses to do so, the member shall not be allowed to vote and if as a result of such summary inquiry, the identity of the member is established to the satisfaction of the Returning Officer, the polling officer shall issue ballot paper, and the member shall then be allowed to cast his vote and in such cases, the challenge fees paid shall be forfeited.

(10) At the end of the poll, the Returning Officer, shall prepare an account of challenge fees collected, fees refunded to the persons who challenged, and the fees forfeited to the society together with a brief note on the decision arrived at by him after the summary inquiry in each case.

(11) 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 conduct poll for any sufficient cause, the Returning Officer shall have the power to cancel the polling, after recording the reasons for such cancellation.

(12) No voter shall be permitted to cast his vote after the time fixed for the polling:

PROVIDED that a voter who enters the premises before the closure of the polling time, shall be issued the ballot paper and be allowed to cast his vote.

(13) The counting of votes shall take place immediately after closure of the poll and if it is not possible to count the votes immediately, for reasons beyond the control of the Returning Officer, the ballot box shall be sealed with the seal of the Returning Officer and of the contesting candidates or of their agents, if they so desire, and deposited with the society for safe custody and in such cases the Returning Officer shall then announce, and also, intimate in writing to the candidates or their agents, the time and place at which the counting shall commence on next day and the votes shall be counted by or under the supervision of the Returning Officer on the next day and every candidate and his authorised agent shall have a right to be present at the time of counting and the absence of any candidate or his agent at the time of counting shall not vitiate counting or announcement of results by the Returning Officer.

(14) After the Returning Officer has completed the counting of votes, he shall prepare a return of the results of the polling and shall forthwith declare the results, with the prior approval of the Authority.

(15) The Returning Officer shall immediately after the declaration of the results, record the proceedings of the election in a report which shall form part of the records of the society and the Returning Officer shall immediately furnish a copy of such a report together with a copy of the return of the results of polling to the multi-State co-operative society and the Authority.

**19N. Election of office bearers by secret ballot**

(1) As soon as the members of the board have been elected, the Returning Officer shall, notwithstanding anything contained in the bye-laws of the multi-State co-operative society, convene a meeting of the newly constituted board for the purpose of election of the President or Chairperson, Vice-President or Vice-Chairperson or other elected office bearers of the society, by whatever name they are called, in accordance with the directions of the Authority and such meeting shall not be conducted unless majority of the newly elected members of the board are present, as per bye-laws of the society.

(2) At the meeting so convened by the Returning Officer, he shall preside over the meeting for the purpose of election of the office bearers by secret ballot.

(3) The Returning Officer shall announce the schedule of election of office bearers, stating the number of vacancies to be filled by election, date, place and time between which nomination Forms may be filled by the members; the date on which and the time and place at which the nomination Forms shall be taken up for scrutiny; the date and time of withdrawal; and the date on which, the place at which the polling, if required, may take place and the Returning Officer shall intimate the schedule of election to all the newly elected members of the board and the intending members may submit their nomination, in Form V, to the Returning Officer at such meeting and the Returning Officer shall decide the objections if any, which may be made at the time, to any nomination and after making such summary inquiry, as he thinks necessary, announce the list of valid nominations.

(4) If for any office, for which elections are to be held, the number of nomination of candidates in respect of an office, does not exceed the number of vacancies to be filled for that office, the candidates who have filed valid nominations shall be deemed to have been elected for that office and the Returning Officer shall make a declaration to that effect, with the prior approval of the Authority and if the number of nomination of candidates in respect of an office, exceeds the number of vacancies to be filled for that office, a poll by secret ballot shall be conducted by the Returning Officer and he shall, thereafter, announce the number of votes secured by each candidate.

(5) The Returning Officer shall thereafter record the proceedings of the election of the office bearers in a report which shall form part of the records of the society and the Returning Officer shall also furnish a copy of such report together with a copy of the return of the polling, to the Authority.

(6) The result of the election shall be declared by the Returning Officer, with prior approval of the Authority.

(7) The certificate of election shall be issued immediately by the Chief Executive of the multi-State co-operative society, after declaration of results by the Returning Officer.

**19-O. Admission to the place fixed for counting**

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

- (a) such persons as he may appoint to assist him in the counting;
- (b) persons authorised by the Returning Officer;
- (c) public servants on duty in connection with the election; and
- (d) candidates.

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

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

#### **19P. Rejection of ballot paper**

(1) A ballot paper shall be rejected by the Returning Officer, if,—

- (a) it bears any mark or writing by which the member who voted can be identified; or
- (b) it does not bear the seal of the society or the initial of the Returning Officer; or
- (c) the mark indicating the vote thereon is placed in such a manner as to make it doubtful to which candidate the vote has been casted; or
- (d) is so damaged or mutilated that its identity as a genuine ballot paper cannot be established.

(2) If after the counting of the votes is completed, an equality of votes is found to exist between any candidates and the addition of one vote will entail any of those candidates to be declared as elected, the Returning Officer shall forthwith decide between the candidates by lottery and proceed as if the candidate had received an additional vote and declare him as elected.

#### **19Q. Custody of record of elections conducted**

After declaration of the result of election, the Returning Officer shall hand over the ballot papers and records relating to the election of the members of the board and the office bearers to the Chief Executive of the multi-State co-operative society in a sealed cover and all the documents relating to the election shall be safely preserved by the Chief Executive of the society for a period of six months from the date of election or till such time a dispute regarding election, if any, filed is disposed of, whichever is later, and shall thereafter be destroyed.

#### **19R. Death of candidate before poll**

If a contesting candidate dies and a report of his death is received by the Returning Officer before the commencement of the poll, the Returning Officer shall, upon being satisfied of the fact of the death of candidate, countermand the poll and inform the Authority along with the proceedings with reference to the election, and the election shall be commenced in all respects, as if for a new election:

PROVIDED that no further nomination shall be necessary in the case of a person who was a contesting candidate at the time of the countermanding of the poll:

PROVIDED FURTHER that no person who has given a notice of withdrawal of his candidature before the countermanding of the poll shall be eligible for being nominated as a candidate for the election after such countermanding:

PROVIDED ALSO that no fresh notice of withdrawal by the candidate whose nomination is accepted before the countermanding shall be accepted by the Returning Officer for the election after such countermanding.

#### **19S. Preparation of electronic voting machines for polls**

If the Authority decides to use an electronic voting machine for the poll, it shall direct the procedure thereof, which shall, as far as is technically feasible be in accordance with these rules.



**19T. Election expenses**

All election related expenditure including stationary, printing, postage, xerox, fax, rent for the ballot boxes, indelible ink, police security and such other items of expenditure related to the election of representatives or directors of a multi-State co-operative society, such as preparation of electoral roll, travelling and other allowances and remuneration payable to the Returning Officer, Assistant Returning Officer and other polling personnel shall be borne by the society and paid to the Authority.

**19U. Account of election expenses**

(1) Every candidate at an election shall keep a separate and correct account of all expenditure in connection with the election incurred or authorised by him between the date of the order calling the election and the date of declaration of the result thereof, both dates inclusive within the period of thirty days from the date of declaration of the result.

(2) The account shall contain such particulars as may be specified from time to time in addition to the particulars referred to in rule 19W.

(3) The total expenditure shall not exceed the amount as may be specified by the Authority from time to time.

(4) Every contesting candidate at an election shall lodge with the Returning Officer an account of his election expenses within the time and in the manner specified by the Authority from time to time.

**19V. Disqualification for failure to lodge account of election expenses**

If the Authority, based on a report from the Returning Officer, is satisfied that a person has failed to lodge an account of election expenses within the time and in the manner specified in rule 19U and has no good reason or justification for such failure, the Authority shall, by order published in the Official Gazette, declare him to be disqualified for being elected as, and for being, a member of the board of any society, and any such person shall be disqualified for a period of three years from the date of the order.

**19W. Particulars of account of election expenses**

(1) The account of election expenses to be kept by a candidate shall contain the following particulars in respect of each item of expenditure from day to day, namely:—

- (a) date on which the expenditure was incurred or authorised;
- (b) nature of the expenditure (as for example, travelling, postage or printing etc.);
- (c) amount of the expenditure:—
  - (i) amount paid;
  - (ii) amount outstanding;
- (d) date of payment;
- (e) name and address of the payee ;
- (f) serial number of voucher, in the case of amount paid;
- (g) serial number of bills, if any, in case of amount outstanding;
- (h) name and address of the person to whom the amount outstanding is payable.

(2) All the vouchers shall be lodged along with the account of election expenses, arranged according to the date of payment and serially numbered by the candidate and such serial numbers shall be entered in the account under item (f) of sub-rule (1).

(3) It shall not be necessary to give the particulars mentioned in item (c) of sub-rule (1) in respect of items of expenditure, for which vouchers have not been obtained.

#### **19X. Notice by Returning Officer for inspection of accounts**

The Returning Officer may, within two days from the date on which the account of election expenses has been lodged by a candidate, cause a notice to be affixed to his notice board, specifying—

- (a) the date on which the account has been lodged;
- (b) the name of the candidate; and
- (c) the time and place at which such account may be inspected.

#### **19Y. Casual vacancies how to be filled in**

(1) In the event of casual vacancy occurring on account of death, resignation, disqualification or removal of the member of the board of a society or if any member becomes incapable of acting prior to the expiry of his term of office or otherwise, subject to the conditions specified in sub-section (5) of section 45J of the Act, the Chief Executive of the multi-State co-operative society shall communicate such vacancies, within a week of its occurrence, to the Authority, who shall take action to fill the vacancies, according to the provisions of section 45J of the Act.

(2) Any person, who gets filled in the casual vacancy as per the provisions of section 45J of the Act shall hold office for the remainder of the period of the members of the board in whose place, such member has been filled.

#### **19Z. Maintenance of secrecy of voting**

Every officer, clerk, agent, or other person who performs any duty in connection with the recording or counting of votes at an election shall maintain, and aid in maintaining the secrecy of the voting and shall not (except for some purposes authorised by or under any law) communicate to any person any information relating to such voting.]

#### **<sup>1</sup>[20. Officers, etc., at an election, not to act for candidates or to influence voting**

(1) No person who is a Returning Officer or an Assistant Returning Officer or a Presiding or Polling Officer at an election, or an officer or clerk appointed by the Returning Officer to perform any duty in connection with an election, shall, in the conduct or the management of the election do any act (other than the giving of vote, if eligible as member) for the furtherance of the prospects of the election of a candidate.

(2) No such person as aforesaid, and no member of a Police Force, shall—

- (a) persuade any person to give his vote at an election;
- (b) dissuade any person from giving his vote at an election; or
- (c) influence the voting of any person at an election in any manner.

#### **20A. Functions of Observers**

The functions of observers appointed by the Authority shall be to supervise the entire election process, and give directions to the Returning Officer and other officers, subject to the general control and superintendence of the Authority, to ensure the smooth and fair conduct of elections of a multi-State co-operative society.

<sup>1</sup> Substituted vide GSR 591(E), dt. 4.8.2023, w.e.f. 4.8.2023. Prior to substitution, Rule 20 read as under:

#### **"20. Election of the office bearers**

(1) The election of the office bearers of the board shall be conducted as per the programme given in the election schedule.

(2) The eligibility of the candidates for the election of office bearers shall be subject to the provisions contained in sections 43 and 44 of the Act."

**20B. Directions by the Co-operative Election Authority**

Subject to the provisions of the Act and the rules made thereunder, the Co-operative Election Authority may issue directions from time to time, as may be necessary for the conduct of free and fair elections and the Board, members, Chief Executive and staff of the multi-State co-operative society shall comply with such directions issued by the Authority.]

**21. Terms and conditions of the chief executive**

Where the Central Government or a State Government holds fifty one per cent or more equity capital of a Multi-State Co-operative Society, the qualifications and eligibility conditions for the post of Chief Executive, the salaries and allowances, other terms and conditions of service including suspension, removal, pension, gratuity, retirement benefits etc., shall be as approved by the Central Government.

**CHAPTER V****PRIVILEGES, PROPERTIES AND FUNDS OF MULTI-STATE  
CO-OPERATIVE SOCIETIES****22. Certification of copies of entries in books**

- (1)(a) A copy of any entry in a book of a Multi-State Co-operative Society regularly kept in the course of its business shall be certified by the Chief Executive or officer authorised by the bye-laws of the society.
- (b) Where an order has been passed under section 123 superseding the board and appointing an administrator by administrator or any other officer authorised by him.
- (c) Where an order has been passed under sub-section (1) of section 89 appointing a liquidator of the Multi-State Co-operative Society, by the liquidator.

(2) Every certified copy shall bear the signature of the Chief Executive or any director or authorised officer and seal of the Multi-State Co-operative Society.

(3) The charges to be levied for the supply of such certified copies shall be as provided in the bye-laws of such a Multi-State Co-operative Society. In absence of such a provision in the bye-laws of a Multi-State Co-operative Society, a charge of rupees two per folio shall be levied.

**23. Government aid to Multi-State Co-operative Societies**

Subject to the provisions of section 61 of the Act, the Central Government or a State Government may provide aid to any Multi-State Co-operative Society on the terms and conditions mutually agreed upon.

**24. Distribution of profit to members**

(1) No part of the funds, other than net profits, of a Multi-State Co-operative Society shall be distributed by way of bonus or dividend or otherwise among its members.

(2) Payment of dividend to the members on their paid-up share capital shall be as specified in the bye-laws.

(3) The bye-laws of a Multi-State Co-operative Society may provide for distribution of patronage bonus to its members in consonance with the transactions of a member with the society.

(4) Every Multi-State Co-operative Society may also provide for in their bye-laws the subjects and purposes for which the reserve fund will be utilized.

**1[25. The Co-operative Education Fund**

(1) Every multi-State co-operative society shall credit a sum calculated at one per cent. of its net profits every year as contribution, within six months from the closing of the relevant financial year, towards the account of the Co-operative Education Fund, maintained by the Central Government.

(2) The Co-operative Education Fund shall be maintained and administered by a Committee constituted by the Central Government, consisting of the following members, namely:—

- (a) The Secretary, Ministry of Co-operation - Chairperson;
- (b) The Central Registrar - Member;
- (c) The Financial Adviser to the Ministry of Co-operation - Member;
- (d) Two representatives of multi-State co-operative societies to be nominated by the Central Government on rotation basis for every two years - Members;

1 Substituted vide GSR 591(E), dt. 4.8.2023, w.e.f. 4.8.2023. Prior to substitution, Rule 25 read as under:

**"25. Contribution towards Co-operative Education Fund**

(1) Every Multi-State Co-operative Society shall credit a sum calculated at one per cent, of its net profits every year as contribution to the co-operative education fund maintained by the National Co-operative Union of India Limited, New Delhi. The co-operative education fund shall be administered by a committee constituted by the Central Government for this purpose consisting of the following members:

- (i) The President of the National Co-operative Union of India Ltd., New Delhi—Chairperson
- (ii) The Central Registrar—Member
- (iii) The Financial adviser to the Department of Agriculture and Co-operation in the Ministry of Agriculture—Member
- (iv) Two representatives of the Multi-State Co-operative Societies to be nominated by the Central Government for every two years—Members
- (v) The Director General, National Council for Co-operative Training, New Delhi—Member
- (vi) The Director, Vaikunth Mehta National Institute of Co-operative Management, Pune—Member

(2) No expenditure out of the co-operative education fund shall be incurred without approval of the committee.

(3) The National Co-operative Union of India Limited, shall maintain this fund in a separate account to be operated jointly by the Chief Executive of the National Co-operative Union of India Limited, New Delhi and an officer of the Central Government not below the rank of Director responsible for finance in the Department of Agriculture, Co-operation and Farmers Welfare authorised by the Central Government, and all income by way of interest or otherwise accruing from contribution towards this fund shall be credited to this fund.

(4) The balance in the fund, constituted under rule 4 of the Multi-State Co-operative Societies (Privileges, Properties and Funds, Accounts, Audit, Winding up and Execution of Decrees, Orders and Decisions) Rules, 1985, at the commencement of these rules shall be construed the fund as if constituted under these rules.

(5) The co-operative education fund shall be utilised for the purposes connected with the co-operative education and training and human resource development for co-operatives. The Committee may undertake the programmes of co-operative education and training and human resource development, through National Co-operative Union of India, National Council for Co-operative Training, contributing members or any other professionally qualified body as the Committee may decide."

- (e) The Secretary, National Council of Co-operative Training, New Delhi-Member;
- (f) The Chief Executive Officer, National Co-operative Union of India Limited, New Delhi - Member
- (g) The Director, Vaikunth Mehta National Institute of Co-operative Management, Pune - Member; and
- (h) Representative from National Co-operative University.

(3) The Central Government shall maintain the Co-operative Education Fund in a separate account, and all income by way of interest or otherwise accruing from the contribution towards the fund, shall be credited to the Fund.

(4) No expenditure out of the Co-operative Education Fund shall be incurred without the approval of the Committee constituted under sub-rule (2).

(5) The balance standing in the Co-operative Education Fund maintained by the National Co-operative Union of India Ltd., shall be transferred by the Chief Executive Officer of the National Co-operative Union of India to the Co-operative Education Fund maintained by the Central Government on the date of the notification of these rules.

(6) Subject to such directions as the Committee may give from time to time, the Co-operative Education Fund may be utilised for any of the following purposes, namely:—

- (a) education of the members, directors including office-bearers and employees of multi-State co-operative societies and the general public in the principles and practice of co-operation;
- (b) human resource development in multi-State co-operative societies;
- (c) development of multi-State co-operative societies;
- (d) capacity building and business management;
- (e) professionalisation;
- (f) technical upgradation;
- (g) education, training, national co-operative database, research, manpower and power and related infrastructure;
- (h) research and development;
- (i) development of the co-operative movement in general;
- (j) co-operative awareness and publicity;
- (k) publication of books and journals relating to the co-operative movement;
- (l) conduct of research, case studies and education in the field of co-operative movement;
- (m) award of prize, or honorarium for rendering meritorious service to the cause of the multi-State co-operative movement; and
- (n) any other purpose as may be determined by the Central Government for strengthening the co-operative movement.]

## **26. Contributory Provident Fund**

(1) Every Multi-State Co-operative Society which has in its service ten or more regular employees shall establish a Contributory Provident Fund referred to in sub-section (1) of section 69.

(2) The Multi-State Co-operative Society creating such a fund shall provide for the following in its bye-laws:—

- (a) Authority to administer the fund.
  - (b) Amount of contribution to be deducted from the employee's salary.
  - (c) Mode of nomination for payment of the amount of the contributory provident fund in case of employee's death.
  - (d) Purpose for which, the extent to which, and the period after which, advances may be made against the security of such fund and the number of monthly instalments in which advance is to be repaid.
  - (e) Refund of employees' contribution and contribution made by the society.
  - (f) Maintenance of accounts of such fund.
- (3) The amount of contribution that can be deducted from the salary of an employee of the Multi-State Co-operative Society shall not be less than the ceiling provided in the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (19 of 1952).
- (4) The Multi-State Co-operative Society may make such contribution every year to the employees' contributory provident fund as may be approved by the board subject to the maximum ceiling as provided in the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (19 of 1952).

## **27. Audit and Accounts**

(1) Every Multi-State Co-operative Society shall keep books of account with respect to:—

- (a) all sums of money received and expended and the matters in respect of which the receipt and expenditure take place;
- (b) all sales and purchase of goods;
- (c) the assets and liabilities;
- (d) in the case of a Multi-State Co-operative Society engaged in production, processing and manufacturing, particulars relating to utilisation of materials or labour or other items of costs as may be specified in the bye-laws of such a society.

(2) The audit of a Multi-State Co-operative Society under sub-section (1) of section 73 shall include, in addition to the matters specified in sub-section (2) of that section the following particulars:

- (a) Whether the auditor has obtained all the information and explanations which, to the best of his knowledge and belief are necessary for the purposes of his audit;
- (b) Whether in his opinion proper books of accounts as specified in these rules and bye-laws have been kept by the Multi-State Co-operative Society so far as it appears from the examination of those books and proper returns adequate for the purposes of his audit have been received from the branches not visited by him;
- (c) Whether the balance-sheet and profit and loss account exhibit a true and fair view of the state of affairs of the Multi-State Co-operative Society according to best of his information and explanation given to him and as shown by the books of the Multi-State Co-operative Society; and
- (d) Whether there has been any material impropriety or irregularity in the expenditure or in the realisation of money due to the Multi-State Co-operative Society;

- (e) Whether in case of a co-operative bank, the guidelines issued by the Reserve Bank and National Agriculture and Rural Development Bank established under the National Agriculture and Rural Development Bank Act, 1981 (61 of 1981) have been adhered to.
- (3) The audit report shall also contain schedules with particulars of,—
  - (a) all transactions which appear to be contrary to the provisions of the Act, the rules or the bye-laws of the Multi-State Co-operative Society;
  - (b) all transactions which appear to be contrary to the guidelines issued by the Reserve Bank and National Agriculture and Rural Development Bank;
  - (c) any money belonging to the Multi-State Co-operative Society which appears to the auditor to be bad or doubtful of recovery;
  - (d) the loans given by the Multi-State Co-operative Society to the members of the board;
  - (e) any violation of guidelines, conditions etc., issued by the Reserve Bank of India or National Agriculture and Rural Development Bank by any co-operative bank;
  - (f) any other matter as may be specified by the Central Registrar in this regard.

## 28. Procedure to be adopted by liquidator

When a liquidator has been appointed under sub-section (1) of section 89, the following procedure shall be adopted:—

- (a) The appointment of the liquidator shall be notified by the Central Registrar in the Official Gazette.
- (b) The liquidator shall, as soon as the order of winding up of the Multi-State Co-operative Society takes effect, publish by such means as he may, think proper, a notice, requiring all claims against the Multi-State Co-operative Society, the winding up of which has been ordered, to be submitted to him within two months of the publication of the notice. All liabilities recorded in the account books of a Multi-State Co-operative Society shall be deemed ipso-facto to have been duly submitted to him under this clause.
- (c) The liquidator shall investigate all the claims against the Multi-State Co-operative Society and decide questions of priority arising between claimants.
- (d) The liquidator shall recover all sums and other properties to which the Multi-State Co-operative Society is entitled and may institute such suits for that purpose or such suits incidental to liquidation proceedings as he may think proper.
- (e) The liquidator may empower any person, by general or special order in writing, to make collections and to grant valid receipts on his behalf.
- (f) The liquidator shall, after setting the assets and liabilities of Multi-State Co-operative Society as they stood on the date on which the order of winding up is made, proceed next to determine from time-to-time the contribution including debts due and costs of liquidation to be made or remaining to be made by each of its members, past members, or by the estates, or nominees, heirs or legal representatives of deceased members or by any officers or former officers, to the assets of the Multi-State Co-operative Society, under clause (b) of sub-section (2) of section 90. Should necessity arise, he may also make a subsidiary order regarding such contributions and such order shall be enforceable in the same manner as the original order.

- (g) All funds in the charge of the liquidator shall be deposited in the Post Office Savings Banks or in a co-operative bank or with such other banks as may be approved by the Central Registrar and shall stand in his name.
- (h) The Central Registrar shall fix the amount of remuneration, if any, to be paid to the liquidator. The remuneration shall be included in the cost of liquidation, which shall be payable out of the assets of the Multi-State Co-operative Society in priority of all other claims.
- (i) The liquidator may call for the meeting of the members of the Multi-State Co-operative Society under liquidation.
- (j) The liquidator shall submit to the Central Registrar a quarterly report in such form as the Central Registrar may, specify showing the progress made in liquidation of the Multi-State Co-operative Society.
- (k) The liquidator shall keep such books and accounts as may from time to time be specified by the Central Registrar who may at any time cause such books and accounts to be audited.
- (l) At the conclusion of the liquidation, the liquidator shall call for a general meeting of the members of the dissolved society at which the liquidator or any other person authorised by him, by special or general order in writing in this behalf, shall summarise, the result of his proceedings and shall take a vote as to the disposal of any surplus funds. The liquidator shall submit his final report to the Central Registrar with a copy of the proceedings of the general meeting referred to above and make over to the Central Registrar all books and registers and accounts etc., belonging to the Multi-State Co-operative Society and all books and accounts relating to the liquidation proceedings kept by him.
- (m) 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 Co-operative Bank and shall be available for meeting the claims of the person or persons concerned.
- (n) A liquidator may, at any time, be removed by the Central Registrar and he shall on such removal be bound to hand over all the property and documents relating to the society under liquidation to such persons as the Central Registrar may direct.
- (o) All the books and records of a Multi-State Co-operative Society whose registration has been cancelled and the proceedings of liquidation of a Multi-State Co-operative Society ordered to be wound up may be destroyed by the Central Registrar after the expiry of three years from the date of the order cancelling the registration of the Multi-State Co-operative Society.

## 29. Application of assets of the Multi-State Co-operative Society

The assets of the Multi-State Co-operative Society shall be applied in order of priority as given below for payment of the liabilities:

- (1) Pro-rata payment of all outside liabilities.
- (2) Pro-rata repayment of loans and deposits of members.
- (3) Pro-rata refund of share capital.
- (4) Pro-rata payment of dividend on the share at the rate not exceeding 6.25 per cent per annum for the period of liquidation.



**30. Disputes**

(1) For the purposes of sub-section (4) of section 84 of the Act, the Central Registrar may appoint and fix the fee of the arbitrators subject to the provisions of Arbitration and Conciliation Act, 1996.

(2) Save as otherwise provided under this Act, the provisions of the Arbitration and Conciliation Act, 1996 shall apply to all arbitration under this Act as if the proceedings for arbitration were referred for settlement or decision under the provisions of the Arbitration and Conciliation Act, 1996.

**<sup>1</sup>[CHAPTER VA****CO-OPERATIVE OMBUDSMAN****30A. Appointment and Jurisdiction of Ombudsman**

(1) The Central Government may appoint one or more Co-operative Ombudsmen, to carry out the functions entrusted to such Ombudsman under provisions of the Act and the Central Government shall notify the territorial jurisdiction of each Ombudsman so appointed.

(2) The Ombudsman shall be an individual having professional experience of minimum ten years, a postgraduate degree from any recognised University in India or equivalent, and special knowledge or experience in co-operative management, banking, accountancy, law, public administration or a serving or retired judicial officer not below the rank of District Judge or a serving or retired officer of the Central or State Government, not below the rank of Director.

(3) The Ombudsman shall receive such pay including the dearness allowance and other allowances admissible to a Director in the Government of India.

(4) In the case of an appointment of a person who is in receipt of, or has received, or has become entitled to receive any retirement benefits by way of pension, the pay and allowances of such person shall be reduced by gross amount of pension, if any, drawn or to be drawn by him.

(5) An Ombudsman, while on tour or on transfer (including the journey undertaken to join the office or on the expiry of his term with the office proceeds to his hometown) shall be entitled to the travelling allowances, daily allowances, transportation of personal effects at the same scale and at the same rate as are applicable for a Director to the Government of India.

(6) The Ombudsman shall not be entitled to government accommodation but shall be eligible to draw the house rent allowance applicable for a Director to the Government of India.

(7) For multi-State Co-operative Society Banks, the Ombudsmen shall be appointed by the Reserve Bank of India.

**30B. Tenure of Ombudsman**

The term of office of the Ombudsman shall be three years from the date on which he enters office or till he attains the age of seventy years, whichever is earlier, and he shall be eligible for reappointment for one more term.

**30C. Office of Ombudsman**

The office of the Ombudsman shall be at such place as may be notified by the Central Government.

<sup>1</sup> Inserted vide GSR 591(E), dt. 4.8.2023, w.e.f. 4.8.2023.

**30D. Officers and staff**

The Central Government may provide such officers and staff to the Ombudsman, as it may think necessary for the discharge of functions by the Ombudsman.

**30E. Complaints or appeals that may be considered by the Ombudsman**

The Ombudsman shall consider the following categories of complaints or appeals, from members, as the case may be—

- (a) complaints by members regarding their deposits, equitable benefits of the multi-State co-operative society's functioning; and any other issue affecting such member's individual rights, under sub-section (1) of section 85A; and
- (b) appeals preferred under sub-section (4) of section 106, by members against the order passed by the Co-operative Information officer:

PROVIDED that any dispute which is the subject matter of any past or ongoing arbitration proceedings under section 84, or any other pending or settled proceedings shall stand excluded from the jurisdiction of the Ombudsman.

**30F. Nature of complainant or appellant before the Ombudsman**

An aggrieved member of a multi-State co-operative society may file a complaint or prefer an appeal, as the case may be, before the Ombudsman either personally or through an authorised representative:

PROVIDED that for the purposes of this rule and the filing of a complaint or an appeal before the Ombudsman, the "authorised representative" shall not include an advocate.

**30G. Non-maintainability of complaint or appeal**

(1) A complaint or an appeal, as the case may be, shall not lie unless the following conditions are fulfilled—

- (a) in an appeal under sub-section (4) of section 106 of the Act, the appeal shall be filed within a period of one month from the date of such order being challenged;
- (b) in a complaint under sub-section (1) of section 85A of the Act—
  - (A) the complainant had, before approaching the Ombudsman made a written representation on the issue to the multi-State co-operative society, and if—
    - (i) such representation was rejected;
    - (ii) no reply was received within a period of one month after submitting the representation; or
    - (iii) the complainant is not satisfied with such reply.
  - (B) the complaint is filed not later than one month after the complainant has received the reply of the multi-State co-operative society or, where no reply is received, not later than two months after such representation was made;
- (c) the complaint or appeal is not abusive or frivolous or vexatious in nature; and
- (d) the complainant or appellant provides complete information required for disposal of the complaint.

(2) No complaint shall be made or no appeal shall be preferred, as the case may be, to the Ombudsman on an issue which—

- (a) has been or is the subject matter of any proceeding in an appeal, revision, reference or writ, before any Authority, Tribunal, Court, or Central Registrar;
- (b) has been or is the subject matter of any arbitral proceeding under section 84; or
- (c) is in respect of the same subject matter which was settled through the Ombudsman in any previous proceedings, whether or not received from the same complainant or appellant, or along with any one or more complainants or appellants, or any one or more of the parties concerned with the subject matter.

### **30H. Form and manner of complaint or appeal**

(1) A complaint by a member to the Ombudsman may be submitted through the physical or electronic mode (including a written complaint) or through an online portal designed for this purpose and notified by the Central Government.

(2) A complaint shall be submitted in Form VI annexed to these rules.

(3) An appeal shall be submitted in Form VII annexed to these rules.

### **30-I. Procedure for handling complaints and appeals by Ombudsman**

The Ombudsman shall deal with the complaints and appeals, which were brought before him, in the following manner, namely:—

- (a) the Ombudsman shall endeavour to follow the principles of natural justice, as far as is practicable, including providing a copy of the complaint or appeal, as the case may be, to the multi-State co-operative society, and providing such multi-State co-operative society an opportunity of being heard or responded;
- (b) if no such response is forthcoming from the multi-State co-operative society, the Ombudsman shall proceed to decide the complaint or appeal, as the case may be, on the basis of the information available before him; and
- (c) the Ombudsman shall complete the process of inquiry and adjudicate the complaint or appeal within a period of three months, from the date of receipt of the complaint or appeal, as the case may be, by a speaking order.

### **30J. Appeal to the Central Registrar**

(1) An appeal may be filed against the directions of the Ombudsman before the Central Registrar under sub-section (3) of section 85A in Form VIII annexed to these rules, within one month from the date of the order of the Ombudsman.

(2) The Central Registrar may, after giving the parties a reasonable opportunity of being heard, within a period of forty-five days, from the date of filing of appeal may—

- (a) dismiss the appeal; or
- (b) allow the appeal and set aside the directions passed by the Ombudsman; or
- (c) remand the matter to the Ombudsman for fresh disposal in accordance with such directions as the Central Registrar may consider necessary or proper; or
- (d) modify the directions of the Ombudsman and pass such directions as may be necessary to give effect to the directions of the Ombudsman so modified; or

(e) pass any other decision as he may deem fit and proper in the circumstances of the case.

(3) The decision of the Central Registrar passed under sub-rule (2) shall be final and binding on all the parties.]

## CHAPTER VI

### APPEALS AND REVIEW

#### 31. Appeals

For the purpose of sub-section (2) of section 99, an appeal against any decision or order shall be made, if the decision or order was made by:—

- (a) the Central Registrar appointed under sub-section (1) of section 4 of the Act, to the Officer not below the rank of Additional Secretary to the Government of India in the Department of Agriculture and Co-operation as may be decided by the Central Government.
- (b) any officer of the Central Government or of a State Government of the rank of Registrar, on whom powers of the Central Registrar have been conferred under sub-section (2) of section 4 of the Act, to the Joint Secretary to the Government of India in the Department of Agriculture and Co-operation, In-charge of Co-operation;
- (c) any other officer of the State Government on whom powers of Central Registrar have been conferred under sub-section (2) of section 4 of the Act, to the Chief Director (Co-operation) in the Ministry of Agriculture and Co-operation or any other Officer authorised by the Central Government in this behalf.

#### 32. Procedure regarding appeals

(1) An appeal under sub-section (2) of section 99 shall be either presented in person or sent by registered post to the appellate authority.

(2) The appeal shall be in the form of a memorandum and shall be accompanied by the original or certified copy of the order appealed from.

(3) Every appeal shall—

- (a) specify the name and address of the appellant and also the name and address of the respondent or respondents;
- (b) state by whom the order appealed against was made;
- (c) set forth concisely and under distinct heads, the grounds of objection to the order appealed against together with a memorandum of evidence;
- (d) state precisely the relief which the appellant sought for; and
- (e) give the date of order appealed against; or
- (f) the memorandum of the appeal inclusive of memorandum of evidence shall be supported by an affidavit duly sworn by the appellant.

(4) Where, an appeal under sub-section (2) of section 99 is preferred after the expiry of sixty days specified in the said sub-section, it shall be accompanied by a petition supported by an affidavit setting forth the facts on which the appellant relies to satisfy the appellate authority that he had sufficient cause for not preferring the appeal within the period mentioned in that sub-section.

(5) On receipt of the appeal, the appellate authority shall as soon as possible examine it and ensure that:—

- (a) the person presenting the appeal 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 the rules.

(6) The appellate authority may call upon the appellant 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 fails to remedy the defects or furnish the additional information called for within the said period, the appeal petition may be dismissed.

(7) The appellate authority may, before passing orders under section 99 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 appellate authority may also call for and obtain from 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.

(8) The appellate authority shall on the basis of the enquiry conducted and with reference to the records examined, pass such order on the appeal as may deem just and reasonable:

<sup>1</sup>[PROVIDED that the Appellate Authority shall pass such order within a period of <sup>2</sup>[360 days] except in the cases where there is any order, stay or restraint or injunction from any competent court.]

(9) Every order of the appellate authority under sub-section (2) of section 99 shall be in writing and it shall be communicated to the appellant and to such other parties 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 was made.

### 33. Application for review

(1) Every application under section 101 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 the 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 order reasons on the basis of which review is sought. It shall be accompanied by a memorandum of evidence.

<sup>4</sup> (2) The application shall be accompanied by the original or a certified copy of the order to which the application relates.

(3) 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.

(4) An application for review by any party shall be made within thirty days from the date of communication of the order of the appellate authority sought to be reviewed.

(5) The application shall, so far as it may be necessary, be disposed of by the appellate authority in such manner as may be deemed fit:

PROVIDED that no order in review application shall be made unless notice has been given to all interested parties and they have been afforded a reasonable opportunity of being heard:

<sup>1</sup> Inserted vide GSR 717(E), dt. 12-11-2007, w.e.f. 15-11-2007.

<sup>2</sup> Substituted for "180 days" vide GSR 447(E), dt. 14-6-2012, w.e.f. 15-6-2012.

<sup>1</sup>[PROVIDED FURTHER that the Appellate Authority shall pass such order within a period of 180 days except in the cases where there is any order, stay or restraint or injunction from any competent court.]

## CHAPTER VII

### SOCIETIES WHICH BECOME MULTI-STATE CO-OPERATIVE SOCIETIES CONSEQUENT ON REORGANISATION OF STATES

#### 34. Preparation of a scheme for the reconstitution or reorganisation of Multi-State Co-operative Societies

(1) The Central Registrar or the authorised officer, as the case may be, shall prepare a scheme referred to in sub-section (2) of section 103 for the reconstitution or reorganisation of any Multi-State Co-operative Society rendered as such, consequent on the reorganisation of States referred to in sub-section (1) of section 103. The Central Registrar or the authorised officer with the previous approval of the Central Government forward a copy of the scheme to the President or the Chairperson of the Multi-State Co-operative Society with the direction that the scheme be placed before a meeting of the general body of the Multi-State Co-operative Society specially convened for the purpose.

(2) The meeting referred to in sub-rule (1) shall be convened not less than forty days after the date of issue of the notice to the members and the creditors of the Multi-State Co-operative Society in the manner specified in sub-rule (3).

(3) A written notice specifying the date, hour and place of meeting and the business to be transacted thereat shall be given to every member and shall be accompanied by a copy of the scheme to be considered at the meeting. The notice to each member and creditor shall,—

- (i) be delivered or tendered to him in person;
- (ii) be sent to him by registered post; or
- (iii) be served on him in such other manner as may be specified in the bye-laws of the society.

(4) Notwithstanding anything to the contrary contained in any rule or bye-law governing the Multi-State Co-operative Society, where the Central Registrar or the authorised officer in this behalf is satisfied that the President or Chairperson of the society has failed to convene the meeting of the general body as required under sub-rule (1), the Central Registrar or the authorised officer, as the case may be, shall convene a meeting of the general body of the Multi-State Co-operative Society by giving fourteen day's notice to all the members and creditors of the Multi-State Co-operative Society.

## <sup>2</sup>[CHAPTER VIII

### APPLICATION TO THE CO-OPERATIVE INFORMATION OFFICER

#### 35. Manner of application to the Co-operative Information Officer under sub-section (2) of section 106

(1) A member who desires to obtain information under sub-section (1) of section

1 Inserted vide GSR 717(E), dt. 12.11.2007, w.e.f. 15.11.2007.

2 Substituted vide GSR 591(E), dt. 4.8.2023, w.e.f. 4.8.2023. Prior to substitution, Chapter VIII read as under:

## "CHAPTER VIII

### PAYMENT OF FEES FOR INSPECTION OF RECORDS

#### 35. Payment of fees for inspection of records

The fees for payment of inspection of records by any other person, other than the member shall be rupee one per folio."

106 of the Act, shall make an application in writing or through electronic means to the Co-operative Information Officer in Form IX annexed to these rules.

(2) A member making an application under sub-rule (1) shall not be required to give any reason for requesting the information or any other personal details, except those that may be necessary for contacting him.

(3) The application fee, other charges for supplying the information and manner of payment shall be such as prescribed under the provisions of the Right to Information (Regulation of Fee and Cost) Rules, 2005.]

#### **<sup>1</sup>[CHAPTER VIII A**

#### **NATIONAL CO-OPERATIVE SOCIETIES**

#### **35A. Designation of National Co-operative Society**

(1) Subject to the provisions of section 116 of the Act, the Central Government may designate a multi-State co-operative society as a National Co-operative Society and the Central Government shall consider the following before such designation—

- (a) The area of operation of such society extends to the whole of India; and
- (b) Member co-operative societies admitted in the said society represents all the States and Union territories.

(2) A multi-State co-operative society designated as a National Co-operative Society under Second Schedule to the Act shall comply with the provisions of sub-rule (1), within six months from the date of publication of these rules.

(3) A National Co-operative Society shall, in accordance with the provisions of section 120 of the Act, file returns with the Central Registrar, providing the details that —

- (a) it has complied with the provisions of sub-rule (1);
- (b) it has complied with functions of federal co-operatives under section 24 of the Act;
- (c) it has taken steps for strengthening the co-operative movement in the country and deepening its reach to the grassroots in its area of work; and
- (d) the promotion of co-operative-based economic development model in its area of work, including the spirit of responsibility among its members to develop the country.

#### **35B. Omission of National Co-operative Societies from Second Schedule**

Subject to provisions of section 116 of the Act, the Central Government may omit a National Co-operative Society from the Second Schedule of the Act, if it fails to comply with provisions of sub-rule (1) of rule 35A of these rules or on the ground of being non-functional.]

#### **CHAPTER IX**

#### **MISCELLANEOUS**

#### **36. Mode of service of summon**

(1) Every summon issued under the Act or these rules 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 <sup>2</sup>[not below the rank of Assistant Registrar of Co-operative Societies in a State or an officer of an equivalent rank] in writing in that behalf. It shall require the person summoned to appear before the said

1 Inserted vide GSR 591(E), dt. 4.8.2023, w.e.f. 4.8.2023.

2 Inserted vide GSR 717(E), dt. 12-11-2007, w.e.f. 15-11-2007.

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) 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.

(3) The service of summons under the Act or these rules on any person, may be effected in any of the following ways:—

- (a) by giving or tendering it to such person; or
- (b) if such person is not found, by delivering or transmitting at the place where the person or his agent empowered to accept the summons on behalf of the person, actually and voluntarily resides or carries on business or personally works for gain; or
- (c) if the address of such person is known to the Central Registrar or other authorised person by sending it to him by registered post acknowledgement due; or
- (d) if none of the means aforesaid is available, by affixing it in some conspicuous part of his last known place where he actually or voluntarily resides or carries on business or personally works for gain.

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

(5) The serving officer shall in all cases in which the summons have been served under sub-rule (4), 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.

(6) Where the person to be summoned is a public officer or is a servant of a company or a local authority, the officer issuing the summons may, if it appears that the summons may be conveniently so served, send it by registered post acknowledgement due for service on the party to be summoned, to the head of the office in which he is employed together with a copy to be retained by such person.

### **37. Procedure in execution of decrees, orders and decisions**

(1) Any decree-holder requiring the provisions of clause (c) of section 94 to be applied, shall apply to the recovery officer in whose jurisdiction the cause of action arose and shall deposit the necessary costs as fixed by the Central Registrar. If the judgment debtor resides, or the property to be proceeded against is situated, outside the jurisdiction of such recovery officer, the recovery officer shall transfer the application to the recovery officer in whose jurisdiction the judgment debtor resides or the property is situated.

(2) Every such application shall be made in the form specified by the Central Registrar and shall be signed by the decree-holder. The decree-holder may indicate whether he wishes to proceed against the immovable property mortgaged to the decree-holder or other immovable property or to secure the attachment of movable property.



(3) On receipt of such application, the recovery officer shall verify the correctness and genuineness of the particulars set forth in the application with the records, if any, in the office of Central Registrar and prepare a demand notice in writing in duplicate in the form specified by the Central Registrar, setting forth the name of the judgment debtor and the amount due and forward it to the Sale Officer.

(4) Unless the decree-holder has expressed a desire that proceedings should be taken in a particular order as laid down in sub-rule (2), execution shall ordinarily be taken in the following manner, namely:—

- (i) movable property of the defaulter shall be first proceeded against, but this shall not 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 sold 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 judgment debtor may be proceeded against.

(5) In the attachment and sale of movable property, the following rules shall be observed, namely:—

- (a) the Sale Officer, shall after giving previous notice to the decree-holder, proceed to the village or place where the judgment debtor resides or the property to be distrained is situated and serve a demand notice upon the judgment debtor if he is present. If the amount due together with the expenses be not at once paid, the Sale Officer shall make the distress and shall immediately deliver to the judgment debtor a list or inventory of the property distrained and an intimation of place and day and hour at which the distrained property will be brought to sale if the amount due are not previously discharged. If the judgment debtor 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 of his residence. He shall then proceed to make the distress and shall fix the list of property attached on the usual place of residence of the judgment debtor, endorsing thereon the place where the property may be lodged or kept and an intimation of the place, day and hour of sale.

<sup>1</sup>[(aa) The demand notice issued by the recovery officer under sub-rule (3) shall contain the name of the judgment debtor, the amount due, including the expenses, if any, and the batta to be paid to the person who shall have the demand notice, the time allowed for payment and in case of non-payment, the particulars of the properties to be attached and sold. After receiving the demand notice, the time allowed for payment and in case of non-payment, the particulars of the properties to be attached and sold. After receiving the demand notice, the sale officer shall serve or cause to be served demand notice upon the judgment debtor. If the judgment debtor fails to pay the amount specified in the demand notice within the time allowed.]

- (b) After the distress is made, the Sale Officer may arrange for the custody of the property attached with the decree-holder or otherwise. If the Sale Officer requires the decree-holder to undertake the custody of the property he shall be bound to do so and any loss incurred owing to his negligence

1 Inserted vide GSR 717(E), dt. 12-11-2007, w.e.f. 15-11-2007.

shall be made good by the decree-holder. If the attached property is live-stock, the decree-holder shall be responsible for providing the necessary food therefor. The Sale Officer may, at the instance of the judgment debtor 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 judgment debtor or person, if he gives a bond in the form specified by the Central Registrar with one or more sufficient sureties for the production of the property as and when called for.

- (c) The distress shall be made after sunrise and before sunset and not at any other time.
- (d) The distress levied shall not be excessive, that is to say, the property distrained shall be as nearly as possible proportionate to the sum due by the defaulter together with interest and all expenses incidental to the distraint, detention and sale.
- (e) If crops or ungathered products of the land belonging to a judgment debtor 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 proper 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.
- (f) The Sale Officer shall not work the bullocks or cattle, or make use of the goods or effect 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.
- (g) 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 open 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 officer to break open or enter apartment in such dwelling house appropriate for the zenana or residence of women except as hereinafter provided.
- (h) Where the Sale Officer may have reason 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 appropriated to women which by custom or usage are considered private, 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 may force open the other door of such dwelling house, like manner as he may break open the door of any room within the house except the zenana. The Sale Officer may also, in the presence of a police officer, after due notice given for the removal of women within a zenana and, after furnishing means for their removal in a suitable manner if they be women of rank who, according to the custom of usage cannot appear in public, enter the zenana apartments for the purpose of distraining the judgment debtor's property, if any, deposited therein, but such property, if found, shall be immediately removed from such apartments after which they shall be left free to the former occupants.

- (i) 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 or place in which the judgment debtor resides on two consecutive days previous to the date of sale and on the day of sale prior to the commencement of the sale and in such other place or places as the officer may consider necessary to give due publicity to the sale. 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 prescribed in clause (a) of this sub-rule:

PROVIDED that where the property seized is subject to speedy or natural decay, or where the expense of keeping it in custody is likely to exceed its 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.

- (j) 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:

PROVIDED FURTHER that the Sale Officer may, in his discretion, adjourn the sale to a specified date and time recording his reasons for such adjournment. Where a sale is so adjourned for a longer period than seven days, a fresh proclamation under clause (i) shall be made unless the judgment debtor consents to waive it.

- (k) 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. Where the purchaser may fail in payment of purchase money, the property shall be resold.
- (l) Where any property which has been attached under these rules has been forcibly or clandestinely removed by any person, the Sale Officer may apply to a civil court having jurisdiction for restoration of such property. Where the court is satisfied about the truth of the facts, as alleged in the application, it may order forthwith such property to be restored to the Sale Officer.
- (m) Where prior to the day fixed for sale, the defaulter or any person acting on his 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.
- (n) The movable property mentioned as exempt from attachment in the proviso to section 60 of the Code of Civil Procedure, 1908 (5 of 1908), shall not be liable to attachment or sale under these rules.

(6) Where the movable property to be attached is the salary or allowance or wages of a public servant or a servant of a local authority or a firm or a company, the recovery officer may, on receiving a report from the Sale Officer, order that the amount shall, subject to the provisions of section 60 of the Code of Civil Procedure, 1908 (5 of 1908) be withheld from such salary or allowances or wages either in one payment or by monthly instalment as the recovery officer may direct and upon receipt of the order, the officer or other person whose duty it is to disburse such salary or allowance, 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.

- (7)(i) 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.
- (ii) Where the property to be attached is 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 recovery officer ordering the attachment and be held subject to his further orders.
- (iii) Where the property to be attached is in the custody of any 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 orders of the recovery officer issuing the notice:

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

- (8)(i) 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 if the decree sought to be attached was passed by the Central Registrar or any other person authorised by him <sup>1</sup>[not below the rank of Assistant Registrar of Co-operative Societies in a State or an officer of equivalent rank].
- (ii) Where the Central Registrar makes an order under clause (i) he shall on the application of the decree-holder who has attached the decree, proceed to execute the attached decree and apply the net proceeds in satisfaction of the decree sought to be executed.
- (iii) The holder of a decree sought to be executed by the attachment of another decree of the nature specified in clause (i), shall be deemed to be the representative of the holder of the attached decree and to be entitled to execute such attached decree in any manner for the holder thereof.
- (iv) Where the property to be attached in execution of a decree is a decree other than a decree of the nature referred to in clause (i), the attachment shall be made by the issue of a notice by the recovery officer to the holder of such decree prohibiting him from transferring or charging the same in any way.
- (v) The holder of a decree attached under this sub-rule shall give the recovery officer executing the decree such information and aid as may reasonably be required.
- (vi) On the application of the holder of a decree sought to be executed by the attachment of another decree, the recovery officer making an order of attachment under this sub-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 judgment-debtor in contravention of such order after receipt of notice thereof either through the said recovery officer or otherwise, shall be recognised so long as the attachment remains in force.

<sup>1</sup> Inserted vide GSR 717(E), dt. 12-11-2007, w.e.f. 15-11-2007.

(9) Where the movable property to be attached is,—

- (a) a debt due to the judgment debtor in question,
- (b) a share in the capital of a corporation or a deposit invested therein, or
- (c) other movable property not in the possession of the judgment debtor, except property deposited in or in the custody of any civil court, the attachment shall be made by a written order signed by the recovery officer prohibiting—
  - (i) in the case of a debt, the creditor from recovering the debt and the debtor from making payment thereof;
  - (ii) in the case of a 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; and
  - (iii) in the case of any other movable property, the person in possession of it from giving it over to the judgment debtor.

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 other movable property to the person in possession of such property. As soon as the debt referred to in clause (a) or the deposit referred to in clause (b) matures, the recovery officer may direct the person concerned to pay the amount to him. Where the share is not withdrawable, the recovery officer shall arrange for its sale through a broker. Where the share is withdrawable, its value shall be paid to the recovery officer or to the party referred to in clause (c). In the case of other movable property referred to in sub-clause (iii) of clause (c) the person concerned shall place it in the hands of the recovery officer when it becomes deliverable to the defaulter.

(10) 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.

(11) In the attachment and sale, or sale without attachment of immovable property, the following rules shall be observed, namely:—

- (a) The application presented under sub-rule (2) shall contain a description of the immovable property to be proceeded against, sufficient for its identification and in case such property can be identified by boundaries or numbers in a 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 able to ascertain it.
- (b) The demand notice issued by the recovery officer under sub-rule (3) shall contain the name of the judgment debtor, 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 judgment debtor 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 such immovable property to be attached and sold or

sold without attachment, as the case may be:

PROVIDED that where the recovery officer is satisfied <sup>1</sup>[for the reasons to be recorded in writing] that a judgment debtor with intent to defeat or delay the execution proceedings against him is about to dispose of whole or any part of his property, the demand notice issued by the recovery officer under sub-rule (3) shall not allow any time to the judgment debtor for payment of the amount due by him and the property of the judgment debtor shall be attached forthwith.

- (c) If the judgment debtor 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 mentioned in the application for execution in the following manner.
- (d) Where attachment is required before sale, the Sale Officer shall, if for possible cause a notice of attachment to be served on the judgment debtor personally. Where personal service is not possible, the notice shall be affixed in some conspicuous part of the judgment debtor's last known residence, if any. The fact of attachment shall also be proclaimed by beat of drum or other customary mode at some place on, or adjacent to, such property and at such other place or places as the recovery officer 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 attachment 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.
- (e) Proclamation of sale shall be published by affixing a notice in the office of the recovery officer and the taluk office at least thirty days before the date fixed for the sale and also by beat of drum in the village (on two consecutive days previous to the date of sale and on the day of sale prior to the commencement of the sale). Such proclamation shall, where attachment is required before sale, be made after the attachment has been effected. Notice shall also be given to the decree-holder and the judgment debtor. The proclamation shall state the time and place of sale and specify as fairly and accurately as possible, the following, namely:—
  - (i) the property to be sold;
  - (ii) any encumbrances to which the property is liable;
  - (iii) the amount for the recovery of which sale is ordered; and
  - (iv) 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.
- (f) 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 rupees one hundred, furnish to the Sale Officer within such time as may be fixed by him or by the recovery officer, an encumbrance certificate from the Registration Department for the 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 (10), prior to the date of

<sup>1</sup> Inserted vide GSR 717(E), dt. 12-11-2007, w.e.f. 15-11-2007.

the application for execution. The time for production of the encumbrance certificate may be extended at the discretion of the Sale Officer or the recovery officer, as the 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 adequate reasons:

PROVIDED FURTHER that the recovery officer or the Sale Officer may in his discretion adjourn the sale to a specified day and hour recording his reason for such adjournment. Where a sale is so adjourned for a longer period than seven days, a fresh proclamation under clause (e) shall be made, unless the judgment debtor 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 recovery officer. The time and 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 recovery officer:

PROVIDED ALSO that in cases where an encumbrance certificate is not obtainable owing to the destruction of the connected records, an affidavit from the village patwari or corresponding officer in regard to the encumbrances known to him supported by a certificate from the Registration Department that the encumbrances certificate cannot be granted owing to the destruction of the connected records, shall be accepted in place of an encumbrance certificate.

- (g) A sum of money equal to fifteen per cent of the price of the immovable property shall be deposited by the purchaser 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 (k), the Sale Officer shall dispense with the requirement of this clause.

- (h) The remainder of the purchase money and the amount required for the general stamp for the sale certificate shall be paid within fifteen days from the date of sale:

PROVIDED that the time for payment of the cost of the stamps may, for good and sufficient reasons, be extended at the discretion of the recovery officer up to thirty days from the date of sale:

PROVIDED FURTHER that in calculating the amounts to be paid under this clause, the purchaser shall have the advantage of any set off to which he may be entitled under clause (k).

- (i) In default of payment within the period mentioned in clause (h) the deposit may, if the recovery officer thinks fit, after defraying the expenses of sale, be forfeited to the Central 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.
- (j) Every resale of immovable property in default of payment of the amount mentioned in clause (h) within the period allowed for such payment, shall be made after the issue of a fresh proclamation in the manner and for the period herein before prescribed for the sale.

- (k) 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 satisfaction of the decree in whole or in part accordingly.

(12) Where prior to the date fixed for a 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 and other expenses incurred in bringing the property to sale including the expenses of attachment, if any, the Sale Officer shall forthwith release the property after cancelling, where the property has been attached, the order of attachment.

- (13)(a) Where immovable property has been sold by the Sale Officer, any person either owning such property or holding an interest therein by virtue of a title acquired before such sale may apply to have the sale set aside on his depositing with the recovery officer—

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

(ii) for payment to the decree-holder, the amount of arrears specified in the proclamation of sale as that for the 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 amount which may since the date of such proclamation have been received by the decree-holder.

- (b) If such deposit and application are made within thirty days from the date of sale, the recovery officer 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 five per cent deposited by the applicant:

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

- (c) If a person applies under sub-rule (14) to set aside the sale of immovable property, he shall not be entitled to make an application under this sub-rule.

- (14)(i) At any time within thirty days from the date of sale of immovable property, the decree-holder or any person entitled to share in a rateable distribution of the assets or whose interests are effected by the sale, may apply to the recovery officer 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 of irregularity or fraud unless the recovery officer is satisfied that the applicant has sustained substantial injury by reason of such irregularity, mistake or fraud.

- (ii) If the application is allowed, the recovery officer, shall set aside the sale and may direct a fresh one.

- (iii) On the expiration of thirty days from the date of sale if no application to have the sale set aside is made or if such application has been made and rejected, the recovery officer shall make an order confirming the sale:

PROVIDED that if he shall have reason to believe 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 in writing, set aside the sale.

- (iv) 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.
- (v) After the confirmation of any such sale, the recovery officer shall grant a certificate of sale bearing his seal and signature to the purchaser, and 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 recovery officer shall be necessary unless the authority before whom it is produced shall have reason to doubt its genuineness.
- (vi) An order made under this sub-rule shall be final, and shall not be liable to be questioned in any suit or other legal proceedings.

(15) Where any lawful purchaser of immovable property is resisted and prevented by any person other than a person (not being the judgment debtor) claiming in good faith to be in possession of the property on his own account from obtaining possession of the immovable property purchased any court of competent jurisdiction on application, and production of the certificate of sale provided for by sub-rule (14) 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 purchaser by a decision of the court.

(16) It shall be lawful for the Sale Officer to sell the whole or any portion of the immovable property of a judgment debtor in discharge of money due:

PROVIDED that so far as may be practicable, no larger section or portion of immovable property shall be sold than may be sufficient to discharge the amount due with interest and expenses of attachment, if any, and sale.

(17) Persons employed in serving notice or in other process under these rules shall be entitled to batta at such rates as may from time to time be fixed by the recovery officer.

(18) 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 this rule, exceeds the amount of the cost deposited from the sale proceeds of the property sold or the money paid by judgment debtor, as the case may be, and the balance shall be made available to the decree-holder.

(19) Every person making a payment towards any money due for the recovery of which application has been made under this rule shall be entitled to a receipt for the amount signed by the Sale Officer or other officer empowered by the recovery officer in that behalf; such receipt shall state the name of the person making the payment and the subject-matter in respect of which the payment is made.

- (20)(a) Where any claim is preferred to, or any objection is made to the property attached under this rule on the ground that such property is not liable to such attachment, the Sale Officer shall investigate the claim or objection and dispose it if on the merits:

PROVIDED that no such investigation shall be made when the Sale Officer considers that the claim or objection is frivolous.

- (b) 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.

- (c) Where a claim or an objection is preferred, the party against whom an order is made may institute a suit to establish the right which the claim to the property in dispute, but, subject to the result of such suit, if any, the order shall be conclusive.
- (21)(i) Any deficiency of price which may arise on a resale held under clause (j) of sub-rule (11) by reason of the purchaser's default and all expenses attending such resale shall be certified by the Sale Officer to the recovery officer and shall, at the instance of either the decree-holder or the judgment debtor be recoverable from the defaulting purchaser under the provisions of this rule. The cost, if any, incidental to such recovery shall be borne by the defaulting purchaser.
- (ii) Where the property may on the second sale, sell for a higher price than at the first sale, the defaulting purchaser at the first sale, shall have no claim to the difference or increase.
- (22) Where any property has been attached in execution of a decree, but by reason of the decree-holder's default the recovery officer 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.
- (23) Where assets are held by the Sale Officer and before the receipt of such assets, demand notices in pursuance of application for execution of decree-against the same defaulter have been received from more than one decree-holder and the decree-holders have not obtained satisfaction, the assets after deducting the costs or realisation shall be rateably distributed by the Sale Officer among all such decree-holders in the manner provided in section 73 of the Code of Civil Procedure, 1908 (5 of 1908).
- (24) Where a defaulter dies before the decree has been fully satisfied, an application under sub-rule (1) may be made against the legal representative of the deceased and thereupon all the provisions of this rule shall, save as otherwise provided in this sub-rule, apply as if such legal representative were the judgment debtor. 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 recovery officer 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.

#### **<sup>1</sup>37A. Recruitment of employees in Co-operative Societies**

The recruitment of employees at various levels would be carried out through a transparent, objective and adequately publicised competitive process as per the educational and experience criteria specified in the bye-laws of the society.

#### **37B. Qualifications for Chief Executive of non-credit multi-State co-operative societies**

The person to be appointed as Chief Executive of a non-credit multi-State co-operative society shall satisfy the following criteria, namely:—

- (a) shall be a graduate or have a diploma or equivalent in co-operative business management, agri-business management, dairy sector management, fisheries management, finance, chartered accountancy, cost accountancy, law, commerce, science, humanities, technology or any other relevant discipline; and

(b) at least three years' work experience in the co-operative sector:

PROVIDED that a person with less than three years' work experience may be appointed by a special resolution passed by three-fourth of the board members, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.

**37C. Recovery of proceeds under sub-section (6) of section 104**

(1) The competent court while passing an order under sub-section (6) of section 104 shall record the amount of unlawful gains made by the board of directors or officers of the multi-State co-operative society, jointly or severally, and from whom such unlawful gains shall be payable.

(2) A copy of the order referred to in sub-rule (1) shall be sent to the Central Registrar by the competent court referred to in sub-section (1) of section 105.

(3) Amount referred to in sub-rule (1) shall be treated as 'sums due' under section 98 and shall be recovered accordingly.

(4) The amount recovered as unlawful gains under sub-section (6) of section 104 shall be deposited in the Co-operative Rehabilitation, Reconstruction and Development Fund established under sub-section (1) of section 63A.

**37D. Creation of electronic registry, database or portal by Central Government**

The Central Government may set up and maintain a secure electronic registry, database or portal in which all applications, returns, reports, statement of accounts, registers, bye-laws, or any other particulars or documents and returns required to be filed under the Act or the rules made thereunder, are electronically stored.

**37E. Manner of filing documents electronically under Act and rules made thereunder**

(1) Every application, communication, document, intimation, notice, return, report, statement of account, or any other particulars or document as may be required to be filed or delivered or served under this Act or the rules made thereunder shall be filed or delivered or served in computer readable electronic form, in portable document format (PDF) or in such other format as decided by the Central Registrar in respect of such application or form or document or declaration, to the Central Registrar through the portal maintained by the Central Government.

(2) Any correspondences (physically or electronically) and documents to be filed by any person shall contain the name, designation, address, membership number of the person signing such document and make sure correctness thereof and in no case, correspondences, merely with signature and writing authorized signatory shall be acceptable.

**37F. Electronic maintenance, registration, and authentication of documents under Act and rules made thereunder**

(1) Every application, return, reports, statement of accounts, registers, bye-laws or any other particulars or document as may be required to be filed or delivered under the Act or the rules made thereunder shall be maintained by the Central Registrar in electronic form, and if required to be registered or authenticated, as the case may be, by the Central Registrar under the Act or rules made thereunder, shall be registered or authenticated through affixing an electronic signature; or by an electronic signature certificate, consistent with the provisions of the Information Technology Act, 2000, the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016, and such other laws as may be applicable, including any rules, regulations, guidelines, notifications, or circulars made under those legislations.

(2) For the authentication of electronic signatures referred to in sub-rule (1), the procedure laid down under the Information Technology Act, 2000, and other relevant laws, including any rules, regulations, guidelines, notifications, or circulars issued thereunder, shall be applicable.

### **37G. Electronic issuance of documents and communication by Central Registrar under section 120A**

(1) The Central Registrar shall perform duties or discharge functions or exercise powers under the Act or the rules made thereunder or do any act which is to be performed or discharged or exercised or done by the Central Registrar, as the case may be, in the electronic mode.

(2) Where the Central Registrar is not able to issue any certificate, receipt, endorsement, acknowledgement or approval or any other document or communication under the Act or the rules thereunder in electronic mode, for reasons to be recorded in writing, he may issue the same in physical form under manual signature affixing seal of his office.

(3) The Central Registrar may send any document, notice or any communication or intimation, as may be required to be served or delivered under the Act or the rules made thereunder, to the multi-State co-operative society, its authorised representatives or board of directors or both, in the electronic manner.

(4) Every multi-State co-operative society shall create and maintain at all times a valid electronic address, including an e-mail, user identifications capable of receiving and acknowledging receipt of such document, certificate, notice or other communication, automated or otherwise, and inform any changes in such electronic address to the Central Registrar within fifteen days of such change.]

### **38. Repeal and saving**

(1) The Multi-State Co-operative Societies (Registration, Membership, Direction and Management, Settlement of Disputes, Appeal and Revision) Rules, 1985 and the Multi-State Co-operative Societies (Privileges, Properties and Funds, Accounts, Audit, Winding up and Execution of Decrees, Orders and Decisions) Rules, 1985 are hereby repealed.

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

[\*\*\*]

1 Schedule omitted vide GSR 591(E), dt. 4.8.2023, w.e.f. 4.8.2023. Prior to substitution, it read as under:

#### **"SCHEDULE**

##### **1. Procedure for the conduct of election to the board of Multi-State Co-operative Societies**

(a) The board of directors in office shall meet, at least, sixty clear days in advance of the date of expiration of its term and by resolution determine the date, time and place for convening a general body meeting for the conduct of elections of its successor board. This provision will also apply *mutatis mutandis* to such Multi-State Co-operative Societies as are under the charge of the administrator appointed under sub-section (1) of section 123. The board of directors in this meeting shall also appoint a returning officer.

(b) A copy of the decision referred to in paragraph (a) shall forthwith be sent to the Central Registrar.

(c) The returning officer appointed under paragraph (a) shall, send intimation by local delivery or under postal certificate, about the date, time and place of the general meeting to each of the members of the Multi-State Co-operative Society. Where other co-operative societies or Multi-State

Co-operative Societies are members, the returning officer shall call on such societies to send the name of their Chairperson or President or the Chief Executive or a duly authorised member of the board of such co-operative society or other Multi-State Co-operative Society as a representative (hereinafter referred to as the delegate) in accordance with the provisions contained in sub-section (3) of section 38 together with the resolution of the board of the society and the specimen signature of the Chairperson or President or the Chief Executive or duly authorised member of the board, duly attested and bearing the seal of the society so as to reach him at least twenty-one clear days prior to the date fixed for the general meeting. Where there is no board of such co-operative society or other Multi-State Co-operative Society, the administrator, or duly authorised administrator if there are more than one administrators, by whatever name called, shall intimate the returning officer in writing under his signature at least twenty-one clear days prior to the date fixed for the general meeting that he or the Chief Executive shall represent such society in the general meeting. Where no such resolution or communication intimating the name of delegate is received by the date fixed or where any intimation changing the name of the delegate is received after such date, it shall not be accepted for inclusion in the list of members or delegates of member-societies. Fresh resolution shall be required for every general meeting at which election shall be held.

(d) It shall be the duty of the board of directors in office, or the administrator, as the case may be, to bring up-to-date the register of members and such other registers, as the returning officer may require and hand over such records, register or registers to the returning officer thirty days prior to the date fixed for the general meeting for the purpose of election.

(e) The election shall be held at a general meeting of the society convened for the purpose, of which not less than fourteen days' notice shall be given to the members. Such elections shall take place after all other matters included in the agenda have been considered. For the conduct of elections, the returning officer shall preside over the meeting:

PROVIDED that where the membership of a multi-State co-operative society exceeds one thousand, the returning officer may arrange for polling booths in the area of operation of such a Multi-State Co-operative Society, as deemed appropriate. Ballots cast in these polling booths shall be counted at the place of the general body convened for the purpose of election and results to be declared in the general body meeting.

(f) The notice of the general meeting shall be sent to the members by any of the following modes, namely:—

- (i) by local delivery; or
- (ii) under postal certificate; or
- (iii) by publication in the newspaper having wide circulation.

(g) Notice of the general meeting shall also be affixed on the notice board of the Multi-State Co-operative Society and its branches, if any. The notice shall contain information regarding:

- (i) the number of vacancies to be filled by election;
- (ii) the area of the constituency (specified in the bye-laws) from which the members are to be elected;
- (iii) the qualifications, if any, specified in the bye-laws for eligibility for membership on the board;
- (iv) the name of the returning officer, date, place and hours between which nomination paper shall be filed by the members, such date being not less than one clear day before the date fixed for election or if that happens to be a holiday the day preceding which is not a public holiday.

*Explanation :* For the purpose of the sub-paragraph the term 'public holiday' means any day which is declared as a public holiday under section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) or any day which has been notified by the Central Government, or as the case may be, the State Government to be a public holiday for the offices of the Central Government or the State Government;

- (v) the date on which and the time and place at which the nomination papers will be taken up for scrutiny;
- (vi) the date and time of which, the place at which and the time between which polling will take place.

## 2. Preparation of list of members/delegates

(a) The returning officer shall prepare a list of members eligible to vote as it stood on the date, thirty days prior to the date fixed for the poll and publish copies of the list by affixing them on the notice board at the principal place of business of the society and all its branches, if any, not less than

fifteen days prior to the date fixed for election. The list shall specify,—

- (i) the admission number and name of the member, the name of the father or husband, and the address of such member in the case of an individual member; and
- (ii) the admission number, the name of the society, name of the delegate proposed to represent the society, in the case of a member society;
- (iii) the admission number, the name of the society, name of the delegate and the name of the constituency proposed to represent in the case of a member society and the admission number, the name of the delegate and the name of the constituency where a smaller body has been constituted under proviso to sub-section (1) of section 38.

(b) 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 board. Where no fees has been specified, the person authorised as per bye-laws of the society shall supply such list on payment of an amount of rupees ten.

(c) The returning officer shall also prepare an election programme specifying the date and time of receipt of nominations, scrutiny of nominations, withdrawal of nominations, the poll, if required and declaration of results. The election programme shall be displayed on the notice board of the society and also publish in the local newspaper at least fifteen days prior to the date of election.

### 3. Nomination of candidates

(a) Nomination of the candidate for election shall be made in Form III, which on application shall be supplied by the returning officer or any other officer authorised by him in this behalf, to any member free of costs.

(b) Every nomination paper shall be signed by two members whose names are included in the list of the members or delegates. One of the members shall sign the form as proposer and the other as seconder for the nomination. The nomination paper shall also contain a declaration signed by the candidate, expressing his willingness to stand for election.

(c) Every nomination paper shall be presented in person or sent by registered post with acknowledgement due, by the candidate himself to the Returning Officer or any person authorised by him in this behalf, so as to reach him before the date and time specified for the election programme. The returning officer or any officer authorised by him who receives the nomination paper shall enter on the nomination paper its serial number and certify the date and time at which the nomination paper has been received by him and shall immediately give a written acknowledgement for the receipt of the nomination papers if presented in person, which shall also bear the seal of the society. The returning officer shall, at the close of the time fixed for the receipt of nomination papers, prepare and display on the notice board of the society, a list of nominations received by him. Any nomination paper which is not delivered or received on or before the date and time fixed for its receipt, shall be rejected.

(d) No person shall be nominated as a candidate for election to fill a seat on the board if he,—

- (i) is ineligible to vote;
- (ii) is disqualified to be the member or delegate or a member of the board under the provisions of the Act and these rules; and
- (iii) does not possess the necessary qualifications specified in the bye-laws of the society for election as member of the board.

### 4. Scrutiny of nomination papers

(a)(i) on the day fixed for the scrutiny of nomination papers, the returning officer shall, at the appointed hours, take up the scrutiny of nomination papers. The candidate or the proposer or seconder of each of the candidate may be present at the time and place when nomination papers are scrutinised.

(ii) The returning officer shall examine the nomination papers and shall decide all objections which may be made by any candidate or his proposer or seconder in respect of any nomination and may, either on such objection, or on his own motion and after such summary enquiry, if any, as he thinks necessary, either accept or reject any nomination: PROVIDED that the nomination of a candidate shall not be rejected, namely, on the ground of an incorrect description of his name or 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 paragraph 4(a) if the identity of the candidate, proposer or seconder, as the case may be, is established beyond reasonable doubt.

(iii) The returning officer shall endorse on each nomination paper his decision accepting or rejecting the same as the case may be, and if the nomination paper is rejected, he shall record in writing a brief statement of his reasons for such rejection.

- (iv) The returning officer shall not allow any adjournment of the proceedings except when proceedings are interrupted or obstructed by riot or affray or by causes beyond his control.
- (v) The list of valid nominations as decided by the returning officer shall be published on the notice board of the society containing the names in the alphabetical order in English and address of the candidate as given in the nomination paper on the same day on which the scrutiny of the nomination paper is completed.

(b) Any candidate may withdraw his candidature by notice in writing signed by him and delivered in person or by the person duly authorised by him at any time after the presentation of the nomination papers but before the date and time specified in the election programme for such withdrawal. A notice of withdrawal of candidate once given shall be irrevocable.

#### 5. Voting

(a) If for any area or constituency for which election is to be held, the number of candidates whose nomination papers have been declared valid, does not exceed the number of candidates to be elected for that area or constituency, the returning officer shall at the general meeting convened for the purpose of the election, declare them to have been duly elected to the board. If the number of candidate whose nominations are valid exceeds the number to be elected for any area or constituency, the returning officer shall arrange for conducting a poll on the date and time fixed for the purpose. The returning officer may appoint as many polling officers as may be necessary for conducting the poll.

(b) A candidate contesting the election may, be a letter, in Form IV, to the returning officer, appoint an agent to represent him where polling is held, to identify the voters and to watch the recording of votes. Such letter shall contain the consent in writing of the agent concerned.

(c) Canvassing of votes by any person at the place where elections are to be conducted shall be prohibited.

(d) Immediately before the commencement of the poll, the returning officer shall show the empty ballot box to such persons as may be present at the time and shall then lock it up and affix his seal 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.

(e) Every member or delegate who desires to exercise his right of vote shall be supplied with a ballot paper containing the names of contesting candidates arranged in alphabetical order either printed, typewritten or cyclostyled, according to convenience, on the ballot paper. The ballot paper shall also bear the seal of the society and also the initials of the returning officer on reverse of the ballot paper and further contain a column, for the voter to inscribe mark 'X' against the name or names of the persons to whom he wants to vote.

(f) 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 or delegates can record their votes in secrecy.

(g) Every member who desires to exercise his votes shall enter the polling station with an identity card, given to him by the society. The polling officer shall identify the member by putting questions to him with reference to the list of members or delegates eligible to vote in the polling station, furnished to him. If the polling officer is satisfied about the identity of the member and if there is no objection from any candidate or his polling agent present at the polling station, he shall issue a ballot paper to him after obtaining signature or thumb impression of the member or delegate on counterfoil perforated with the ballot paper. The counterfoil shall bear the serial number and other details of the ballot paper. On receipt of such ballot paper, the member shall proceed to the polling compartment set apart for the purpose and indicate the person or persons in whose favour he exercises his vote by inscribing a mark 'X' against the name of the candidate or candidates, as the case may be, and put the ballot paper in the ballot box kept for the purpose with utmost secrecy. If owing to blindness or other physical infirmity or illiteracy a member is unable to inscribe the mark on the ballot paper the polling officer, and where no such polling officer, is appointed, the returning officer shall ascertain from him the candidate or candidates, in whose favour he desires to vote, inscribe the mark 'X' on his behalf and put the ballot paper in the ballot box.

- (h)(i) Every member whose name is entered in the list of members/delegates eligible to vote, furnished to the polling officer, is entitled to poll his vote, unless there is a challenge by the candidate or his agent against his identity. If there is such a challenge about the identity of a member or if the polling officer feels any reasonable doubt, he shall then refer the matter to the returning officer who shall make a summary inquiry and decide the question with reference to the books of the society.

- (ii) The returning officer shall not entertain any challenge by a candidate or his polling agent, of a member's identity until the person who challenges pays a fee of Rs. 5/- (Rupees five only) for every such vote, in cash. The returning officer shall thereafter entertain the challenge and ask the member who has come to poll the vote to affix his thumb-impression or signature, as the case may be, on a declaration describing his identity. If he refuses to do so, the member shall not be allowed to vote. If, on the other hand, as a result of such summary enquiry the identity of the member is established to the satisfaction of the returning officer, the polling officer shall issue ballot paper, and the member shall then be allowed to vote. In such cases, the challenge fees paid shall be forfeited. At the end of the poll, the returning officer, shall render an account of challenge fees collected, fees refunded to the persons who challenged and the fees forfeited to the society together with a brief note on the decision arrived at by him after the summary inquiry in each case.
- (i)(A) 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 conduct poll for any sufficient cause, the returning officer shall have power to cancel the polling after recording his reasons for such action.
- (B) Where the poll is stopped under clause (A) or where counting of votes is rendered impossible on account of destruction or loss of ballot boxes or any other sufficient reason, the returning officer shall cancel the polling after recording the reasons for such action in the minutes book of the society.
- (j) No voter shall be admitted after the time fixed for the polling; but a voter who enters the premises where ballot papers are being issued before the close of the polling time shall be issued the ballot paper and allowed to vote.
- (k) The counting of votes shall take place immediately after close of the poll. If this is not possible for reasons beyond the control of the returning officer, the ballot box shall be sealed with the seal of the returning officer and of the contesting candidates or of their agents, if they so desire, and deposited with the society for safe custody. The returning officer shall then announce and also intimate in writing to the candidates or their agents present the time and place at which the counting shall commence next day. Votes shall be counted by or under the supervision of the returning officer. Each candidate and his authorised agent shall have a right to be present at the time of counting. But the absence of any candidate or his agent at the time of counting shall not vitiate counting or announcement of results by the returning officer.

#### 6. General

- (a) A ballot paper shall be rejected by the returning officer, if,—
- (i) it bears any mark or writing by which the member who voted can be identified; or
  - (ii) it does not bear the seal of the society or the initial of the returning officer; or
  - (iii) the mark indicating the vote thereon is placed in such manner as to make it doubtful to which candidate the vote has been cast; or
  - (iv) is so damaged or mutilated that its identity as a genuine ballot paper cannot be established.
- (b) If after the counting of the votes is completed, an equality of votes is found to exist between any candidates and the addition of one vote will entail any of those candidates to be declared elected, the returning officer shall forthwith decide between these candidates by lot and proceed as if the candidate on whom the lot falls had received an additional vote and declare him elected.
- (c) After the returning officer has completed the counting of votes, he shall prepare a return of the results of the polling and shall forthwith declare the results. The returning officer shall immediately thereafter record the proceedings of the election in a comprehensive report which shall form part of the records of the society and shall be binding on all. The returning officer shall immediately also furnish a copy of such a report together with a copy of the return of the results of polling, to the society for onward transmission to the Central Registrar. The society shall immediately forward such report and return of the results furnished by the returning officer to the Central Registrar.

#### 7. Election of office bearers

- (1) As soon as the members of the board have been elected the returning officer shall, notwithstanding anything contained in the bye-laws of the Multi-State Co-operative Society, convene a meeting of the newly constituted board for the purpose of election of the President or Chairperson, Vice-President or Vice-Chairperson or other elected office bearers of the society, by whatever name they are called. Such a meeting of the board shall not be conducted unless a majority of the number of members of newly constituted board, as per bye-laws are present.



**FORM I***[Refer rule 3(1)]***APPLICATION FOR REGISTRATION OF A MULTI-STATE CO-OPERATIVE SOCIETY UNDER THE MULTI-STATE CO-OPERATIVE SOCIETIES ACT, 2002**

To,

The Central Registrar of Co-operative Societies,  
New Delhi.

Sir,

We submit herewith a proposal for registration of the following Multi-State Co-operative Society along with enclosures as indicated below:

2. We also declare that the information given herewith including that in the enclosures is correct to the best of our knowledge:

- (a) Name of the proposed Multi-State Co-operative Society;
- (b) Headquarters and address to be registered;
- (c) Area of operations;
- (d) Main objectives;
- (e) Why is it absolutely necessary for the society to be registered under the Multi-State Co-operative Societies Act, 2002;
- (f) A certificate in respect of provisions of clause (b) of sub-section (1) of section 7;

(2) At the meeting so convened by the Returning Officer, he shall preside over the meeting for the purpose of election of the office bearers. The election of office bearers of the Multi-State Co-operative Society shall be by secret ballot.

(3) The returning officer shall announce the schedule of election of office bearers, stating the number of vacancies to be filled by election, date, place and time between which nominations papers shall be filled by the members; the date on which and the time and place at which the nomination papers will be taken up for scrutiny; the date and time of withdrawal; and the date on which, the place at which the polling, if required, will take place. The returning officer shall intimate the schedule of election to all the newly elected or nominated members of the board. The nomination, in Form V, shall be made to the Returning Officer at such a meeting. The returning officer shall decide the objections if any, which may be made at the time, to any nomination and after making such summary inquiry, as he thinks necessary, announce the name of valid nominations.

(4) If for any office for which elections are to be held, the number of candidates in respect of whom valid nominations have been announced, does not exceed the number of candidates to be elected for that office, the candidates for whom valid nominations have been announced shall be deemed to have been elected for that office and the returning officer shall make a declaration to that effect. If the number of candidates in respect of whom valid nominations have been announced for any office exceeds the number of candidates to be elected a poll by secret ballot shall be taken by the returning officer. The returning officer shall, thereafter, announce the number of votes secured by each candidate and the result of the election.

(5) The returning officer, shall immediately thereafter record the proceedings of the election in a comprehensive report which shall form part of the records of the society and shall be binding on all. The returning officer shall immediately also furnish a copy of such a report together with a copy of the return of the results of polling, to the society for onward transmission to the Central Registrar. The society shall immediately forward such report and return of the results furnished by the returning officer to the Central Registrar.

**8. Custody of record of elections conducted**

After declaration of the result of election, the returning officer shall hand over the ballot papers and records relating to the election of the members of the board of directors and the office bearers to the chief executive of the Multi-State Co-operative Society in a sealed cover. These shall safely, be preserved by the chief executive of the society for a period of six months from the date of election or till such time a dispute regarding elections, if any, filed is disposed of, whichever is later, and shall thereafter be destroyed."

- (g) A certificate in respect of provisions of clause (c) of sub-section (1) of section 7;
- (h) A certificate in respect of provisions of clause (d) of sub-section (1) of section 7;
- (i) If all the members are individuals, indicate the number of persons from each State who have signed the application.

Name of the State

Number of persons who  
have signed the application

- (j) Name and address of the applicant for the purpose of further correspondence  
.....

3. Following documents are enclosed:

- (a) A certificate from the ..... Bank stating credit balance there in favour of the proposed Multi-State Co-operative Society.
- (b) A scheme explaining how the proposed Multi-State Co-operative Society has reasonable prospects of becoming a viable unit. We are sending herewith four copies of the bye-laws duly signed.

4. Following persons are authorised to sign the bye-laws and also to make necessary alteration therein.

5. The particulars of the applicants are given hereunder:

Sl. No.	Name	If representing a corporate body, name of the institution*	If the applicant is an individual
(1)	(2)	(3)	(4)
Age	Nationality	Profession	Name of the State
(4A)	(4B)	(4C)	(5)
Address	Amount subscribed to share capital	In the case of representative of society or a Multi-State Co-operative Society, whether he is Chairperson/President or Chief Executive of that society	Signature
(6)	(7)	(8)	(9)

FOR OFFICIAL USE

Received by registered post on + ..... by + ..... in the office of the Central Registrar, or by hand from Shri + ..... Entered in the register of application at S. No. ....

Signature of officer receiving

Received registration proposal No. .... on ..... for registration of ..... Society Ltd., (Proposed) along with the enclosures referred to above from ..... by post/hand deliver.

Place .....

Central Registrar

Date .....

Signature &amp; Stamp

\* If representing a co-operative or any other co-operative body enclose a copy of the Resolution or authorization of the competent authority, authorising the person to sign the application for registration.

† Blanks to be filled in.

**FORM II**

[Refer rule 4(1)]

**REGISTER OF APPLICATIONS FOR REGISTRATION OF MULTI-STATE CO-OPERATIVE SOCIETIES RECEIVED BY THE CENTRAL REGISTRAR**

Sl. No.	Name of the proposed Multi-State Co-operative Society and the Chief Promoter	Complete address	Date of receipt and how received
(1)	(2)	(3)	(4)
Date and reference number of acknowledgement	No. and date on which additional information is called	Prescribed date by which information is called	Date on which additional information received
(5)	(6)	(7)	(8)
No. and date of the report, if any sent to the Central Government, if the society is not registered, within six months	No. and date of order of		Remarks
	Registration	Refusal	
(9)	(10)	(11)	(12)
			(13)

**<sup>1</sup>FORM III**

[See rule 19]

**NOMINATION FORM FOR ELECTIONS OF BOARD OF DIRECTORS**

1. Name of the multi-State co-operative society:
2. Society and Address:
3. Name of the candidate in case of an Individual member or name of the delegate and the member co-operative Society or multi-State co-operative society which he is representing:
4. Serial no. in the register of members:
5. Father's/Mother's or spouse's name (in case of individual member):
6. Address:
7. Name of the proposer in case the proposer is an individual member and the name of the society and the delegate in the case proposer is a delegate

<sup>1</sup> Substituted vide GSR 591(E), dt. 4.8.2023, w.e.f. 4.8.2023.

of a society:

8. Serial no. of the proposer in the Register of members:
9. Signature of the proposer:
10. Name of the seconder when the seconder is an individual member and name of the society:
11. Serial no. of the seconder in the register of members:
12. Signature of the seconder:

#### CANDIDATE'S DECLARATION

I....., s/o ....., Member No..... of .....society hereby declare that I am willing to stand for election and that, to the best of my knowledge and belief I am qualified and have not incurred any disqualification for membership of the board of..... multi-State co-operative society in terms of the Act, the rules made thereunder and the bye-laws of the multi-State co-operative society.

(Signature of the candidate)

#### ENDORSEMENT BY THE RETURNING OFFICER

This nomination Form was presented to me in person by \_\_\_\_\_/ received by registered post on \_\_\_\_ at \_\_\_\_ hrs.

Place \_\_\_\_\_

Date \_\_\_\_\_

Signature of Returning Officer or person authorised by him.]

#### <sup>1</sup>[FORM IV

[See rule 19M]

#### APPLICATION FOR APPOINTING ELECTION AGENT

I, \_\_\_\_\_ name of father/mother/spouse \_\_\_\_\_ member of \_\_\_\_\_ (name of the society) contesting for election of members of board of directors/office bearers do hereby nominate the following person as my election agent/counting agent in the election \_\_\_\_\_ (name of the society) to be held on \_\_\_\_\_ (specify the date).

Name of the Agent:

ID/AAdhaar No.....

Counter signature of the Agent.

Name and Signature of the candidate].

#### <sup>1</sup>[FORM V

[See rule 19N]

#### NOMINATION FORM FOR ELECTION OF OFFICE BEARERS

1. Name of the multi-State co-operative and Address :
2. Offer for which contesting :
3. Name of the candidate in case of an Individual member  
or name of the delegate and the member co-operative Society  
or multi-state co-operative society which he is representing :
4. Serial no. in the register of members :

<sup>1</sup> Substituted vide GSR 591(E), dt. 4.8.2023, w.e.f. 4.8.2023.

5. Father's/Mother's/Spouse's name (in case of individual member) :
6. Address :
7. Name of the proposer in case the proposer is an individual member and the name of the society and the delegate in the case proposer is a delegate of a society :
8. Serial no. of the proposer in the Register of members:
9. Signature of the proposer :
10. Name of the seconder when the seconder is an individual member and name of the society :
11. Serial no. of the seconder in the register of members :
12. Signature of the seconder :

### CANDIDATE'S DECLARATION

I....., s/o ....., Member No..... of .....society hereby declare that I am willing to stand for election and that, to the best of my knowledge and belief I am qualified and have not incurred any disqualification for membership of the board of ..... multi-State co-operative society in terms of the Act, the rules made thereunder and the bye-laws of the multi-State co-operative society.

### ENDORSEMENT BY THE RETURNING OFFICER

This nomination Form was presented to me in person by ...../ received by registered post on \_\_\_\_ at \_\_\_\_ hrs.

Place .....

Date .....

Signature of Returning Officer or person authorised by him.

### FORM VI

[See rule 30H (2)]

### FORM OF COMPLAINT

(To be Filled up by the Complainant)

[All fields are mandatory except wherever indicated otherwise]

To

The Co-operative Ombudsman: , ,

Madam/Sir,

Sub: Complaint against ..... (Name of the multi-State co-operative society)

1. Name of the complainant:
2. Age (years):
3. Gender: , ,
4. Full address of the complainant:
  - Pin Code:
  - Phone No. (if available):
  - Mobile Number:
  - E-mail (if available):

5. Complaint against: *(Name and full address of the multi-State co-operative society)*
6. Membership number, or relevant details relating to membership:
7. Mode of filing: Through portal/in physical form/electronically *(Please tick the appropriate option)*
8. (a) Date and details of complaint already made by the complainant to the multi-State co-operative society: *(Please enclose a copy of the complaint)*
- (b) Whether such complaint was rejected or no reply was received within one month from the date of such complaint or whether the complainant is not satisfied with the reply of the multi-state co-operative society?
- (c) Whether the complaint has been made not later than one month after the reply of the multi-state co-operative society; or where no reply is received, not later than two months from the date of making the complaint to such society?
9. Please tick the relevant box (Yes/No):  
Whether your complaint:
  - is sub-judice before any Authority, Tribunal, Court, or the Central Registrar or is the subject matter of arbitration under section 84? Yes/No
  - is in respect of the same subject matter which was settled through the Ombudsman in any previous proceedings, whether or not instituted by the same complainant, or along with any one or more complainants, or any one or more of the parties concerned with the subject matter? Yes/No
  - is made through an authorised representative? Yes/No
10. Details of the complaint:
11. Relief sought from the Ombudsman: *(Please enclose a copy of documentary proof, if any, in support of your claim)*
12. List of documents enclosed:

### Declaration

- (i) I, \_\_\_\_\_ s/o \_\_\_\_\_, the complainant herein declare that—
  - (a) the information furnished above is true and correct; and
  - (b) I have not concealed or misrepresented any fact stated above and the documents submitted herewith.
- (ii)(a) Where a response from the multi-State co-operative society has been received: The complaint is filed before the expiry of one month after receiving the reply of the multi-State co-operative society;
- (b) Where a response from the multi-State co-operative society has not been received: The complaint is filed before the expiry of two months after the representation to the multi-State co-operative society was made.

Yours faithfully

(Signature of the Complainant/Authorised Representative)

### AUTHORISATION

If the complainant wants to authorise a representative to appear and make submission on her/his behalf before the Ombudsman, the following declaration shall be submitted:—

I ..... , s/o....., the complainant hereby nominate  
 Shri/Smt..... as my authorised representative  
 whose contact details are as below:

Full Address:

Pin Code:

Phone No:

Mobile Number:

E-mail:

Yours faithfully,

(Signature of the Complainant)

### FORM VII

[See rule 30H (3)]

### FORM OF APPEAL AGAINST DECISION OF THE CO-OPERATIVE INFORMATION OFFICER

[All fields are mandatory except wherever indicated otherwise]

To

The Co-operative Ombudsman

Madam/Sir,

Sub: Appeal against ..... (Name of the multi-State co-operative society)

Details of the appeal:

1. Name of the appellant:

2. Age (years):

3. Gender:

4. Full address of the appellant:

- Pin Code:
- Phone No. (if available):
- Mobile Number:
- E-mail (if available):

5. Appealed against: (Name and full address of the multi-State co-operative society)

6. Membership number, or relevant details relating to membership:

7. Mode of filing: Through portal/in physical form/electronically (Please tick the appropriate option)

8. (a) Date and details of application by the appellant to the Co-operative Information Officer: (Please enclose a copy of the complaint)

(b) Whether the requisite information has or has not been received from the Co-operative Information Officer within the period of thirty days from the date of receipt of application, as indicated under sub-section (3) of Section 106 of the Act? Yes/No (please enclose a copy of the reply)

9. Please tick the relevant box (Yes/No):

Whether your appeal:

- is made through an authorised representative? Yes/No
- has already been dealt with or is under process on the same ground with the Ombudsman? Yes/No

10. Details of the appeal:
11. Relief sought from the Ombudsman in this appeal:
12. List of documents enclosed:

**Declaration**

- (i) I, .....,s/o.....the appellant herein declare that—
  - (a) the information furnished above is true and correct; and
  - (b) I have not concealed or misrepresented any fact stated above and the documents submitted herewith.
- (ii) The appeal is filed before the expiry of one month from the date of the orders of the Co-operative Information Officer, in accordance within the time-period provided under sub-section (4) of section 106.

Yours faithfully

(Signature of the Appellant/Authorised Representative)

**AUTHORISATION**

If the complainant wants to authorise a representative to appear and make submission on her/his behalf before the Ombudsman, the following declaration shall be submitted:—

I ....., s/o....., the complainant hereby nominate Shri/ Smt..... as my authorised representative whose contact details are as below:

Full Address:

Pin Code:

Phone No:

Mobile Number:

E-mail:

Yours faithfully,

(Signature of the Appellant)

**FORM VIII***[See rule 30] (1)]***FORM OF APPEAL BEFORE THE CENTRAL REGISTRAR***[All fields are mandatory except wherever indicated otherwise]*

To

The Central Registrar

Madam/Sir,

Sub: Appeal against decision of the Co-operative Ombudsman dated .....by.....(Name of the appellant)

Details of the appeal:

1. Name of the appellant:
2. Full address of the appellant:
  - Phone No. (if available):
  - E-mail (if available):



3. Appeal against: *(Details of the directions passed by the Co-operative Ombudsman, with date and other particulars)*

4. Mode of filing: Through portal/in physical form/electronically *(Please tick the appropriate option)*

5. Details of the appeal:

6. (a) Date and details of original complaint made to the Ombudsman: *(Please enclose a copy of the original complaint, along with all relevant documents)*

(b) Details of directions passed by the Ombudsman: *(Please enclose a copy of the direction(s) passed by the Ombudsman, along with copies of all relevant documents)*

7. Please tick the relevant box (Yes/No):

Whether your appeal is made through an authorised representative? Yes/No

8. Relief sought from the Central Registrar, in appeal: *(Please enclose a copy of all documentary proofs, if any, in support of your appeals)*

9. List of documents enclosed:

#### Declaration

(i) I,.....,s/o....., the appellant herein declare that—

(a) the information furnished above is true and correct; and

(b) I have not concealed or misrepresented any fact stated above, and in the documents submitted herewith.

(ii) (a) If the appeal is being filed on-time: The appeal is filed before the expiry of one month reckoned in accordance with section 85A(3).

(b) If the appeal is being filed after the expiry of one month on account of sufficient cause: The appeal is filed after the expiry of one month, as provided under Section 85A(3), for sufficient cause being the following:

*(Please indicate such cause here),*

Yours faithfully,

(Signature of the Appellant/Authorised Representative)

#### AUTHORISATION

If the complainant wants to authorise a representative to appear and make submission on her/his behalf before the Ombudsman, the following declaration shall be submitted:—

I ..... , s/o....., the complainant hereby nominate Shri/Smt..... as my authorised representative whose contact details are as below:

Full Address:

Pin Code:

Phone No:

Mobile Number:

E-mail:

Yours faithfully,

(Signature of the Appellant)

**FORM IX***[See rule 35(1)]***APPLICATION TO THE CO-OPERATIVE INFORMATION OFFICER***Application number (For Official use):*

Dated:

To:

The Co-operative Information Officer,

[Name of multi-State co-operative society]

[Address]

[State]

[PIN Code]

Subject: Request for information under sub-section (2) of Section 106 of the Multi-State Co-operative Societies Act, 2002

Sir,

1. I [name] Son/Daughter/Wife of [name] Resident of [address] wish to seek the following information, under sub-section (2) of section 106 of the Multi-State Co-operative Societies Act, 2002.

2. The information pertains to the [name of Multi-State Co-operative Society] as per details given below:

3. I certify that I am a member of the [name of Multi-State Co-operative Society] [as on date], with membership number.....

4. I certify that the information requested under para 1 is confined to information relating to affairs and management of the [name of Multi-State Co-Operative Society] and that this information is confined to the information falling under the disclosure norms specified by the [name of Multi-State Co-operative Society] in its bye-laws, as per sub-section (1) of section 106 of the Multi-State Co-operative Societies Act, 2002.

5. I have deposited the required amount towards application fee (Receipt enclosed) vide receipt no. \_\_\_\_\_ dated \_\_\_\_\_.

6. I also undertake to pay any additional fees/charges (if applicable) as may be required to be paid under the relevant rules:

Yours faithfully,

(Signature of the Member)

Address:

Membership number, or relevant details relating to membership:

Telephone No:

E-mail Address:

Date:

[Enclosed: Receipt No. \_\_\_\_\_ dated \_\_\_\_\_, towards application fees].

# RELEVANT EXTRACT OF CONSTITUTION OF INDIA RELATING TO CO-OPERATIVE SOCIETIES

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## <sup>1</sup>[PART IXB

### THE CO-OPERATIVE SOCIETIES

#### 243ZH. Definitions

In this Part, unless the context otherwise requires,—

- (a) “authorised person” means a person referred to as such in article 243ZQ;
- (b) “board” means the board of directors or the governing body of a co-operative society, by whatever name called, to which the direction and control of the management of the affairs of a society is entrusted to;
- (c) “co-operative society” means a society registered or deemed to be registered under any law relating to co-operative societies for the time being in force in any State;
- (d) “multi-State co-operative society” means a society with objects not confined to one State and registered or deemed to be registered under any law for the time being in force relating to such co-operatives;
- (e) “officer bearer”<sup>2</sup> means a President, Vice-President, Chairperson, Vice-Chairperson, Secretary or Treasurer of a co-operative society and includes any other person to be elected by the board of any co-operative society;
- (f) “Registrar” means the Central Registrar appointed by the Central Government in relation to the multi-State co-operative societies and the Registrar for co-operative societies appointed by the State Government under the law made by the Legislature of a State in relation to co-operative societies;
- (g) “State Act” means any law made by the Legislature of a State;
- (h) “State level co-operative society” means a co-operative society having its area of operation extending to the whole of a State and defined as such in any law made by the Legislature of a State.

#### 243ZI. Incorporation of co-operative societies

Subject to the provisions of this Part, the Legislature of a State may, by law, make provisions with respect to the incorporation, regulation and winding up of co-operative societies based on the principles of voluntary formation, democratic member-control, member-economic participation and autonomous functioning.

#### 243ZJ. Number and term of members of board and its office bearers

(1) The board shall consist of such number of directors as may be provided by the Legislature of a State, by law:

PROVIDED that the maximum number of directors of a co-operative society shall not exceed twenty-one:

PROVIDED FURTHER that the Legislature of a State shall, by law, provide for

1 Inserted by the Constitution (Ninety-seventh Amdt.) Act, 2011, dt. 12-1-2012, w.e.f. 15-2-2012.

2 The words “officer bearer” seem to be wrongly printed in the Official Gazette in lieu of “office bearer”.

the reservation of one seat for the Scheduled Castes or the Scheduled Tribes and two seats for women on board of every co-operative society consisting of individuals as members and having members from such class or category of persons.

(2) The term of office of elected members of the board and its office bearers shall be five years from the date of election and the term of office bearers shall be <sup>1</sup>[coterminous] with the term of the board:

PROVIDED that the board may fill a casual vacancy on the board by nomination out of the same class of members in respect of which the casual vacancy has arisen, if the term of office of the board is less than half of its original term.

(3) The Legislature of a State shall, by law, make provisions for co-option of persons to be members of the board having experience in the field of banking, management, finance or specialisation in any other field relating to the objects and activities undertaken by the co-operative society, as members of the board of such society:

PROVIDED that the number of such co-opted members shall not exceed two in addition to twenty-one directors specified in the first proviso to clause (1):

PROVIDED FURTHER that such co-opted members shall not have the right to vote in any election of the co-operative society in their capacity as such member or to be eligible to be elected as office bearers of the board:

PROVIDED ALSO that the functional directors of a co-operative society shall also be the members of the board and such members shall be excluded for the purpose of counting the total number of directors specified in the first proviso to clause (1).

#### **243ZK. Election of members of board**

(1) Notwithstanding anything contained in any law made by the Legislature of a State, the election of a board shall be conducted before the expiry of the term of the board so as to ensure that the newly elected members of the board assume office immediately on the expiry of <sup>2</sup>[the term of the office] of members of the outgoing board.

(2) The superintendence, direction and control of the preparation of electoral rolls for, and the conduct of, all elections to a co-operative society shall vest in such an authority or body, as may be provided by the Legislature of a State, by law:

PROVIDED that the Legislature of a State may, by law, provide for the procedure and guidelines for the conduct of such elections.

#### **243ZL. Supersession and suspension of board and interim management**

(1) Notwithstanding anything contained in any law for the time being in force, no board shall be superseded or kept under suspension for a period exceeding six months: PROVIDED that the board may be superseded or kept under suspension in case—

- (i) of its persistent default; or
- (ii) of negligence in the performance of its duties; or
- (iii) the board has committed any act prejudicial to the interests of the co-operative society or its members; or
- (iv) there <sup>3</sup>[is a stalemate] in the constitution or functions of the board; or
- (v) the authority or body as provided by the Legislature of a State, by law, under clause (2) of article 243ZK, has failed to conduct elections in

1 Corrected by Corrigendum, dt. 29-3-2012.

2 Corrected for "the office" by Corrigendum, dt. 29-3-2012.

3 Corrected for "is stalemate" by Corrigendum, dt. 29-3-2012.

accordance with the provisions of the State Act:

PROVIDED FURTHER that the board of any such co-operative society shall not be superseded or kept under suspension where there is no Government shareholding or loan or financial assistance or any guarantee by the Government:

PROVIDED ALSO that in case of a co-operative society carrying on the business of banking, the provisions of the Banking Regulation Act, 1949 (10 of 1949) shall also apply:

PROVIDED ALSO that in case of a co-operative society, other than a multi-State co-operative society, carrying on the business of banking, the provisions of this clause shall have the effect as if for the words "six months", the words "one year" had been substituted.

(2) In case of supersession of a board, the administrator appointed to manage the affairs of such co-operative society shall arrange for conduct of elections within the period specified in clause (1) and handover the management to the elected board.

(3) The Legislature of a State may, by law, make provisions for the conditions of service of the administrator.

#### **243ZM. Audit of accounts of co-operative societies**

(1) The Legislature of a State may, by law, make provisions with respect to the maintenance of accounts by the co-operative societies and the auditing of such accounts at least once in each financial year.

(2) The Legislature of a State shall, by law, lay down the minimum qualifications and experience of auditors and auditing firms that shall be eligible for auditing accounts of the co-operative societies.

(3) Every co-operative society shall cause to be audited by an auditor or auditing firms referred to in clause (2) appointed by the general body of the co-operative society:

PROVIDED that such auditors or auditing firms shall be appointed from a panel approved by a State Government or an authority authorised by the State Government in this behalf.

(4) The accounts of every co-operative society shall be audited within six months of the close of the financial year to which such accounts relate.

(5) The audit report of the accounts of an apex co-operative society, as may be defined by the State Act, shall be laid before the State Legislature in the manner, as may be provided by the State Legislature, by law.

#### **243ZN. Convening of general body meetings**

The Legislature of a State may, by law, make provisions that the annual general body meeting of every co-operative society shall be convened within a period of six months of close of the financial year to transact the business as may be provided in such law.

#### **243ZO. Right of a member to get information**

(1) The Legislature of a State may, by law, provide for access to every member of a co-operative society to the books, information and accounts of the co-operative society kept in regular transaction of its business with such member.

(2) The Legislature of a State may, by law, make provisions to ensure the participation of members in the management of the co-operative society providing minimum requirement of attending meetings by the members and utilising the minimum level of services as may be provided in such law.

(3) The Legislature of a State may, by law, provide for co-operative education and training for its members.

#### **243ZP. Returns**

Every co-operative society shall file returns, within six months of the close of every financial year, to the authority designated by the State Government including the following matters, namely:—

- (a) annual report of its activities;
- (b) its audited statement of accounts;
- (c) plan for surplus disposal as approved by the general body of the co-operative society;
- (d) list of amendments to the bye-laws of the co-operative society, if any;
- (e) declaration regarding date of holding of its general body meeting and conduct of elections when due; and
- (f) any other information required by the Registrar in pursuance of any of the provisions of the State Act.

#### **243ZQ. Offences and penalties**

(1) The Legislature of a State may, by law, make provisions for the offences relating to the co-operative societies and penalties for such offences.

(2) A law made by the Legislature of a State under clause (1) shall include the commission of the following act or omission as offences, namely:—

- (a) a co-operative society or an officer or member thereof wilfully makes a false return or furnishes false information, or any person wilfully not furnishes any information required from him by a person authorised in this behalf under the provisions of the State Act;
- (b) any person wilfully or without any reasonable excuse disobeys any summons, requisition or lawful written order issued under the provisions of the State Act;
- (c) any employer who, without sufficient cause, fails to pay to a co-operative society amount deducted by him from its employee within a period of fourteen days from the date on which such deduction is made;
- (d) any officer or custodian who wilfully fails to handover custody of books, accounts, documents, records, cash, security and other property belonging to a co-operative society of which he is an officer or custodian, to an authorised person; and
- (e) whoever, before, during or after the election of members of the board or office bearers, adopts any corrupt practice.

#### **243ZR. Application to multi-State co-operative societies**

The provisions of this Part shall apply to the multi-State co-operative societies subject to the modification that any reference to "Legislature of a State", "State Act" or "State Government" shall be construed as a reference to "Parliament", "Central Act" or "the Central Government" respectively.

#### **243ZS. Application to Union territories**

The provisions of this Part shall apply to the Union territories and shall, in their application to a Union territory, having no Legislative Assembly as if the references

to the Legislature of a State were a reference to the administrator thereof appointed under article 239 and, in relation to a Union territory having a Legislative Assembly, to that Legislative Assembly:

PROVIDED that the President may, by notification in the Official Gazette, direct that the provisions of this Part shall not apply to any Union territory or part thereof as he may specify in the notification.

**243ZT. Continuance of existing laws**

Notwithstanding anything in this Part, any provision of any law relating to co-operative societies in force in a State immediately before the commencement of the Constitution (Ninety-seventh Amendment) Act, 2011, which is inconsistent with the provisions of this Part, shall continue to be in force until amended or repealed by a competent Legislature or other competent authority or until the expiration of one year from such commencement, whichever is less.]

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## LIST OF LATEST COMMERCIAL'S BARE ACTS WITH RULES

<b>A</b>	<b>Aadhaar (Targetted Delivery of Financial and other subsidies, benefits and services) Act, 2016 alongwith allied Rules, Regulations and Orders</b>	120/-
A1	Actuaries Act, 2006 alongwith Allied Rules	80/-
A1A	Administrative Tribunals Act, 1985 alongwith Allied Rules	130/-
A2	Advocates Act, 1961 alongwith allied Rules	75/-
A3	Advocates Act, 1961 with the Bar Council of India Rules	110/-
A4	Advocates' Welfare Fund Act, 2001	35/-
A5	Aircraft Act, 1934 alongwith Rules and Allied Rules	400/-
A6	Air Force Act, 1950 alongwith Rules, 1969	200/-
A7	Air (P&CoP) Act, 1981 alongwith Rules	65/-
A8	Ancient Monuments and Archaeological Sites and Remains Act, 1958 alongwith allied Acts & Rules	120/-
A8B	Anti Hijacking Act, 2016	70/-
A8A	Antiquities and Art Treasures Act, 1972 alongwith Antiquities and Art Treasures Rules, 1973, Flow Chart of Antiquities and Art Treasures Act at a Glance	40/-
A9	Apprentices Act, 1961 with Rules	130/-
A10	Arbitration and Conciliation Act, 1996 (as amended in 2021)	150/-
A11	Architects Act, 1972 alongwith Rules and Regulations	70/-
A12	Arms Act, 1959 alongwith Rules, 2016	265/-
A13	Army Act, 1950 with Rules, 1954	250/-
A14	Armed Forces Tribunal Act	70/-
<b>B1</b>	<b>Bankers' Books Evidence Act, 1891</b>	40/-
B2	Banking Regulation Act, 1949 with Allied Acts and Rules	335/-
B2A	Bar Council of India Rules, 1975 under the Advocates Act, 1961	275/-
B3	Beedi and Cigar Workers (Conditions of Employment) Act, 1966	60/-
B4	Prohibition of Benami Property Transactions Act, 1988 with Rules, 2016	100/-
B5	Biological Diversity Act, 2002 alongwith Rules	80/-
B5A	Black Money (Undisclosed Foreign Income and Assets) & Imposition of Tax Act, 2015 with Rules, 2015	160/-
B6	Boilers Act, 1923 alongwith Allied Rules	120/-
B7	Border Security Force Act, 1968 alongwith Rules, 1969	100/-
B8	Bombay Labour Welfare Fund Act, 1953 alongwith Delhi Rules, 1997	35/-
B9	Bonded Labour System (Abolition) Act, 1976 alongwith Rules, 1976	60/-
B10	Bureau of Indian Standards Act, 2016 with Rules, 1987 alongwith allied Rules, Regulations and Orders	250/-
B11	Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996 with Rules	200/-
B-12	Banning of Unregulated Deposit Schemes	80/-
<b>C1</b>	<b>Cable Television Networks (Regulation) Act, 1995</b>	60/-
C2	Cable Television Networks (Reg.) Act, 1995 with Rules & Allied Regulations	250/-
C3	Cantonments Act, 2006 with Rules	550/-
C4	Carriers Act, 1865	25/-
C5	Carrier Laws (Air, Land, Ship)	120/-
C6	Central Excise Act, 1944 with Appeal Rules, Cenvat Rules and Allied Rules	425/-
C7	Central Motor Vehicles Rules, 1989 (as amended in 2022)	995/-
C8	Central Reserve Police Force Act, 1949 alongwith Rules	75/-
C9	Central Sales Tax Act, 1956 with Rules	70/-
C10	Central Vigilance Commission Act, 2003 alongwith Allied Acts	100/-
C11	Charitable and Religious Trusts Act, 1920 alongwith Charitable Endowments Act, 1890 and Religious Endowments Act, 1863	50/-
C11A	Chemical Weapons Convention Act, 2000 alongwith Chemical Weapons Convention Appeals Rules, 2005	120/-



C12	Child and Adolescent Labour (Prohibition and Regulation) Act, 1986 alongwith Rules, 1988 and Children (Pledging of Labour) Act, 1933	90/-
C12A	Criminal Law (Amendment) Act, 2013	40/-
C13	Child Marriage Restraint Act, 1929	30/-
C14	Chit Funds Act, 1982	90/-
C15	Christian Marriage Act, 1872	50/-
C16	Cigarettes and Other Tobacco.....Act, 2003 alongwith Rules, 2004	100/-
C17	Cinematograph Act, 1952 with Rules	120/-
C17A	Cinematograph Act, 1952 with Delhi Rules	100/-
C18	Cine-workers and Cinema Theatre Workers (Reg. of Employment) Act, 1981 alongwith Rules, 1984 with allied Acts & Rules	65/-
C19	Citizenship Act, 1955 with Rules, 2009	120/-
C19A	Coal Mines (Special Provisions) Second Ordinance, 2014	80/-
C21	Code of Civil Procedure, 1908	360/-
C23A	Code of Wages, 2019 alongwith Code on Wages (Central Advisory Board) Rules, 2021	70/-
C23B	Code on Social Security, 2020	180/-
C24	COFEPOSA Act, 1974	25/-
C24A	Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015 with Rules, 2018	90/-
C25	Commissions for Protection of Child Right Act, 2005	25/-
C26	Competition Act, 2002 alongwith Allied Rules	300/-
C27	Companies Act, 2013	695/-
C28	Constitution of India (as amended in 2021)	250/-
C28A	Constitution of India [Pkt. Edn.]	140/-
C29	Consumer Protection Act, 2019 alongwith Rules & Regulations, 2020	195/-
C30	Contempt of Courts Act, 1971 alongwith Rules to Regulate Proceedings for Contempt of Supreme Court, 1975	60/-
C31	Contract Act, 1872	80/-
C32	Contract Labour (R&A) Act, 1970 alongwith Rules, 1971	145/-
C33	Copyright Act, 1957 alongwith Rules, 2014 and International Copyright Order, 1999	160/-
C34	Court Fees Act, 1870	100/-
C35	Credit Information Companies (Regulation) Act, 2005	60/-
C36	Criminal Procedure Code, 1973	360/-
C12B	Criminal Law (Amdt.) Act, 2018	80/-
C12C	Criminal Procedure (Identification) Act, 2022 alongwith Rules, 2022	60/-
C38	Customs Act, 1962 (as amended by Finance Bill, 2023)	395/-
D1A	<b>Dam Safety Act, 2021</b>	<b>70/-</b>
D1	Dangerous Machines (Regulation) Act, 1983 alongwith Rules, 1984	40/-
D2	Delhi Co-operative Societies Act, 2003 alongwith Rules, 2007	360/-
D2A	Delhi Circle Rates, w.e.f. 23-9-2014	150/-
D3	Delhi Development Laws	140/-
D4A	Delhi Excise Act, 2009 alongwith Delhi Excise Rules, 2010	250/-
D4B	दिल्ली आबकारी अधिनियम, 2009, साथ में दिल्ली आबकारी नियम, 2010	200/-
D4	Delhi Electricity Reforms Act, 2002 alongwith Regulations, 2002	50/-
D5	Delhi Entertainments & Betting Tax Act, 1996 alongwith Rules, 2007	100/-
D5A	Delhi Fire Service Act, 2007 alongwith Rules, 2010	70/-
D6	Delhi Land Reforms Act, 1954	90/-
D7	Delhi Luxuries Tax Act, 1996 with Rules	75/-
D8	Delhi Motor Vehicle Rules alongwith Delhi Motor Vehicles Taxation Act, 1962 and Delhi Motor Accident Claims Tribunals Rules, 2008	150/-
D9	Delhi Metro Railway (O & P) Act, 2002 with Rules	150/-
D9A	Delhi Municipal Corporation Act, 1957 with Rules	450/-
D10	Delhi New Rates of Stamp Duty	60/-
D11	Delhi Rent Control Act, 1958 alongwith Rules, 1959, Delhi Rent Act, 1995, Slum Areas (Improvement and Clearance) Act, 1956 with Rules, 1957	120/-
D12	Delhi Right to Information Act, 2001	45/-

D13	Delhi Sales Tax on Works Contract Act, 1999 alongwith Rules, 1999	45/-
D13A	Delhi (Right to Citizen to Time Bond Delivery of Services) Act, 2011 with Rules, 2011	50/-
D13B	Delhi Value Added Tax Act, 2004	395/-
D15	Depositories Act, 1996 with Rules & Regulations	125/-
D16	Designs Act, 2000	35/-
D17	Designs Act, 2000 with Rules, 2001	100/-
D18A	Disaster Management Act, 2005 alongwith Rules and Epidemic Diseases Act, 1897	150/-
D18	Divorce Act, 1869	80/-
D19	Dock Workers (Regulation of Employment) Act, 1948 alongwith Rules, 1962	45/-
D20	Dowry Prohibition Act, 1961 with Rules	60/-
D21	Drugs and Cosmetics Act, 1940 alongwith Drugs (Control) Act, 1950	80/-
D22	Drugs & Cosmetics Act, 1940 alongwith Rules, 1945 and Cosmetics Rules, 2020	795/-
D23	Drugs & Magic Remedies (Objectionable Advertisements) Act, 1954 alongwith Rules, 1955	50/-
D24	Drugs (Prices Control) Order, 2013 alongwith National Pharmaceutical Pricing Policy (NPPP-2012)	160/-
E1	Easements Act, 1882	50/-
E2	Electricity Act, 2003 with Rules & Regulations	360/-
E3	Central Electricity Authority Regulations	495/-
E4	Electricity Rules, 2005 alongwith Electricity Rules, 1956	450/-
E5	Electricity (Supply) Act, 1948	60/-
E6	Emblems and Names (Prevention of Improper use) Act, 1950 alongwith Rules, 1982	35/-
E7	Emigration Act, 1983 alongwith Rules, 1983	55/-
E8	Employees' Provident Funds & Miscellaneous Provisions Act, 1952 with Scheme, 1995	300/-
E8A	Employees' Provident Funds Act with Pension Sch., 1995	125/-
E9	Employees' State Insurance Act, 1948 with Rules & Reg.	270/-
E10	Employers' Liability Act, 1938	30/-
E11	Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959	30/-
E11A	Enemy Property Act, with Rules, 2015	100/-
E12	Energy Conservation Act, 2001 alongwith Rules, 2003 and Allied Rules	160/-
E13	Environment (Protection) Act, 1986 with Rules	695/-
E14	Equal Remuneration Act, 1976 with Allied Rules	65/-
E15	Essential Commodities Act, 1955 with Essential Commodities (SP) Act, 1981 and Colliery Control Order, 2000	60/-
E16	Evidence Act, 1872 (Indian)	95/-
E17	Explosives Act, 1884 and Explosive Substances Act, 1908 and Rules, 2008 alongwith Ammonium Nitrate Rules, 2012 and Static and Mobile Pressure Vessels (Unfired) Rules, 2016	495/-
F1	Factories Act, 1948	120/-
F1A	Farmers Acts with Rules, 2020	90/-
F2	Family Courts Act, 1984	50/-
F3	Fatal Accidents Act, 1855	30/-
F4A	Food Safety and Standards Act, 2006 along with Rules, 2011	100/-
F4	Fertiliser (Inorganic, Organic or Mixed) (Control) Order, 1985	325/-
F5	Foreign Contribution (Regulation) Act, 2010 with Rules, 2011 and Allied Rules, 2012	100/-
F6	Foreign Exchange Management Act, 1999	70/-
F7	Foreign Exchange Regulation Act, 1973 alongwith Rules, 1974	40/-
F8	Foreign Exchange Management Act, 1999 with Allied Rules, Reg. & Orders	.....
F9	Foreign Marriage Act, 1969 alongwith Foreign Marriage Rules, 1970	50/-
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