

The Maharashtra Cooperative Societies Rules, 1961

CHAPTER I *Preliminary*

1. Short title and extent. - (1) These rules may be called the Maharashtra Cooperative Societies Rules, 1961.

(2) They extend to the whole of the State of Maharashtra.

Notes. - Rule is a regulation, for management of a society and binding on the members. It is also a point of law settled by authority.

The State Government has power to make rules for the whole or any part of the State and for any society or class of societies, for the conduct and regulation of the business of such society or class of societies, and for carrying out the purposes of the Co-operative Societies Act. See Section 165. Rules cannot go beyond the scope of the Act itself, nor can they be inconsistent with the Act.

2. Definitions. - In these rules, unless the context otherwise, requires. -

(a) "*Act*" means the Maharashtra Co-operative Societies Act, 1960;

(b) "*Apex Co-operative Bank*" means a federal co-operative bank having jurisdiction over the whole of the Maharashtra State and recognised as such by the State Government for the purpose;

[(b-1) "Auditor" means an auditor or auditing firm from a panel approved by the State Government or the authority authorised by the State Government and appointed by the annual general body of the society or by the Registrar;]

(c) "co-operative year" means the year [ending on the date of close of financial year as specified in section 81 of the Act] or in the case of any society or class of societies, the accounts of which are with the previous sanction of the Registrar, balanced on any other day, the year ending on such day;

(d) "decree" means any decree of a Civil Court, and includes any order, decision or award referred to in sub-section (1) of Section 156;

(e) "decree holder" means any person holding a decree;

(f) "form" means a form appended to these rules;

(g) "Record of Rights" means: -

(i) as respects the Bombay area of the State, the record of rights maintained under the Bombay Land Revenue Code, 1879;

(ii) as respects the Vidarbha region of the State, the record of rights maintained under the Madhya Pradesh Land Revenue Code, 1954;

- (iii) as respects the Hyderabad area of the State the Settlement Register maintained under Section 86 of the Hyderabad Land Revenue Act, 1317-F;
- (h) "recovery officer" means any person empowered to exercise in any district, the powers of the Registrar under Section 156;
- (i) "the registered society" means a society registered or deemed to be registered under the Act;
- [***]
- (k) "section" means a section of the Act,
- (l) "State Apex Training Institute" means an Institute notified by the State Government under section 24 A;
- (m) "Upset Price" means a price approved by the Registrar, and such price may be a minimum price at which an item of property may be auctioned or sold or transferred by public sale;
- (n) words and expressions used, but not defined herein shall have the respective meaning as assigned to them in the Act.]

CHAPTER II Registration

[3. * * *]

[4.] Application for registration and registration fees. - (1) Every application for registration of a society under Section 8 shall be made in Form 'A' in Marathi, Hindi or English, and shall, subject to the provisions of sub-section (2) of Section 8 and sub-rules (2) and (3), be signed by the applicants and shall, in addition to four copies of the proposed bye-laws of the society, be accompanied by:

- (a) a list of persons who have contributed to the share capital, together with the amount contributed by each of them, and the entrance fee paid by them;
- (b) a certificate from the Bank or Banks stating the credit balance therein in favour of the proposed society;
- (c) a scheme showing the details explaining how the working of the society will be economically sound and, where the scheme envisages the holding of immovable property by the society, the description of such property proposed to be purchased, acquired or transferred to the society;
- (d) such other documents as may be specified in the model bye-laws, if any, framed by the Registrar;
- [(e) the registration fees at the following rates, namely:-]

			Rs.
[(i) Agricultural Societies	(a) Marketing Societies		1,250
	(b) Other Agricultural Societies		150
(ii) Crop Protection Societies			250
(iii) Lift Irrigation Societies			250
(iv) Consumers' Societies	(a) Canteens		500
	(b) Primary Consumer Stores in-		
	(i) Rural Area		150
	(ii) Urban Area		250
	(c) Wholesale Consumer Stores		2,500
	(d) Departmental Consumer Stores		1,600
(v) Co-operative Banks	(a) Central Bank		5,000
	(b) Other Banks (excluding Salary Earners' Co-operative Societies)		2,500
	(c) Salary Earners' Co-operative Societies		500
(vi) Farming Societies	(a) Collective Farming Societies		150
	(b) Joint Farming Societies		150
	(c) Dairy Farming Societies		150
(vii) Housing Societies	(a) Tenant Ownership Housing Societies		2,500

	(excluding societies of Backward Class persons)	(b) Tenant Co-partnership Housing Societies	2,500
		(c) Other Housing Societies	2,500
(viii)	Housing Societies of Backward Class Persons		50
[(viii- a)	Housing Societies of Lok Awas Yojana		50]
(ix)	Processing Societies	(a) Agricultural Processing Societies (excluding Sugar Factories and Spinning Mills)	1,250
		(b) Industrial Processing Societies	500
(x)	Co-operative Sugar Factories		25,000
(xi)	Co-operative Spinning Mills		15,000
(xii)	Producers' Societies	(A) Industrial Producers Societies	150
(xiii)	Resources Societies	(a) Credit Resource Societies (excluding Salary Earners' Societies)-	
		(i) Agriculture	150
		(ii) Urban Credit Societies	250
		(b) Non-credit Resource Societies	150

	(c) Service Resource Societies	150
(xiv) General Societies	(a) Social	250
	(b) Commercial	1,250
(xv) Societies not falling under any of the above entries		500]

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

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

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

5. Registration. - (1) On receipt of an application under Rule 4, the Registrar shall enter particulars of the application in the register of application to be maintained in Form 'B', give a serial number to the application and issue a receipt in acknowledgement thereof.

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

(3) On registering a society and its bye-laws under sub-section (1) of Section 9, the Registrar shall as soon as may be, notify the registration of the society in the Official Gazette and grant to the society, a certificate of registration signed by him and bearing his official seal and containing the registration number of the society, and the date of its registration. The Registrar shall also furnish the society with a certified copy of the bye-laws approved and registered by him.

6. Form of report under Section 9(2). - The report to be made by the Registrar to the State Government under sub-section (2) of Section 9 shall be in Form 'C'.

7. Refusal of Registration. - Where any society does not furnish the information in regard to the society as required by the Registrar or fulfil any of the conditions laid down in the Act [the rules or the norms and conditions for registration of societies or class of societies as specified by the Registrar,] the Registrar may refuse to register that society.

8. Matters in respect of which Registrar may direct society to make bye-laws or society may make bye-laws. - (1) The Registrar may require a society to make bye-laws in respect of all or any of the following matters, that is to say-

- (a) the name of the society and address of the society and its branches;
- (b) the area of operation;

- (c) the objects of the society;
- (d) the manner in which and the limit up to which the funds of the society may be raised, the maximum share capital which any one member may hold and the purpose to which the funds would be made applicable;
- (e) the terms and qualifications for admission to membership;
- (f) the privileges, rights, duties and liabilities of members including [nominal and associate members;]
- (g) the consequences of default in payment of any sum due by a member;
- [(g-1) norms for participation in the affairs of the society and also minimum level of utilization of services of the society by a member being active member;]
- (h) conditions regarding sale or disposal of produce of members, wherever applicable;
- (i) in the case of credit societies-
 - (i) the maximum loan admissible to a member;
 - (ii) the maximum rates of interest on loans to members;
 - (iii) the conditions on which loans may be granted to members and penalties for misapplication of loans so advanced;
 - (iv) the procedure for granting extension of time for the repayment of loans and advances;
 - (v) the consequences of default in payment of any sum due;
 - (vi) the circumstances under which a loan may be recalled;
- (j) in the case of non-credit societies, the mode of conducting business such as manufacture, purchase, sale, stock taking and other like matters;
- (k) in the case of a composite society, that is to say, society having both credit and non-credit functions, matters referred to in clauses (i) and (j);
- (l) the mode of holding meetings, of the general body and of the committee;
- (m) the procedure for expulsion of members;
- (n) the manner of making, altering and abrogating bye-laws;
- (o) the mode of appointment either by election or otherwise and removal of members of the committee and other officer, if any, their duties and powers;
- (p) the Chairman's powers, duties and functions and his removal on his losing support of the majority;
- (q) the method of recruitment, the conditions of service and the authority competent to fix, revise or regulate the scale of pay and allowances of salaried officers and servants of the society and the procedure to be followed in the disposal of disciplinary cases against them;

- (r) the mode of custody and investment of funds and mode of keeping the accounts and records;
- (s) the disposal of net profits;
- (t) the manner in which penalty should be levied on a member who is found to be guilty of breach of bye-laws;
- (u) appointment of a provisional committee, where necessary;
- (v) the mode of appointment and removal of committee and its powers and duties;
- (w) the mode of convening annual and special [general body meetings], issue of notices, and the business which may be transacted thereat;
- (x) in the event of winding up of the society, the purpose for which surplus assets, if any, shall be utilised;
- [(x-1) provisions regarding co-operative education and training as per section 24 A ;
- (x-2) furnishing of returns as per section 79 ;
- (x-3) appointment of an Auditor;
- (x-4) Classification of active and non-active member as per Section 26.;
- [(y) the constitution of the committee and other bodies of the society as provided in the Act, the Rules and the Bye-laws.]
- (z) any other matters incidental to the management of its business.

- (2) A society may make bye-laws for all or any of the following matters, that is to say-
- (a) the circumstances under which withdrawal from membership may be permitted;
 - (b) the procedure to be followed in cases of withdrawal, ineligibility and death of members;
 - (c) the conditions, if any, under which the transfer of share or interest of a member may be permitted;
 - (d) the method of appropriating payments made by members from whom moneys are due;
 - (e) the authorisation of an officer or officers to sign documents and to institute and defend suits and other legal proceedings on behalf of the society;
 - (f) the constitution and maintenance of various funds as required to be maintained under the provisions of the Act, rules and bye-laws;
 - (g) constitution of representative body consisting of delegates of members of the society and the mode of election of such delegates to exercise the powers of the general body of members and to specify the powers which may be exercised by such smaller body.

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

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

	Class		Sub-Class	Examples of societies falling in the class or sub-class, as the case may be
	(1)		(2)	(3)
[1.	Agricultural Society	(a)	Marketing Society	All Purchase and Sale Unions and Marketing Societies of Agricultural Produce.
		(b)	Other Societies	Dairy and Cattle Breeding Societies]
[1A.	Crop Protection Society	]
[1B.	Life Irrigation Society	]
2.	Consumers' Society		Stores and Canteens.
3.	Co-operative Bank	(a)	Central Bank	[District Central Co-operative Banks] [***]
		(b)	Other Banks	Urban Banks [***]
[3A.	[Cooperative Agriculture and Rural Multipurpose Development Bank] having provisions in their bye-laws to advance loans to Co-operative Societies]			
4.	Farming Society	(a)	Collective Farming Society	Farming societies where major area of lands is acquired from outside agency for cultivation by members.

		(b)	Joint Farming Society	Societies where the major area of land brought together for cultivation is held by members.
		[(c)	Dairy Farming Society	Farming societies undertaking dairy activities complimentary to their arable farming activities or vice versa.]
5.	[Housing Society]	(a)	Tenant Ownership Housing Society	Housing Societies where land is held either on leasehold or freehold basis by Societies and houses are owned or are to be owned by members.
		(b)	Tenant Co-partnership Housing Society	Housing Societies which hold both land and buildings either on leasehold or freehold basis and allot them to their members.
		(c)	Other Housing Societies	House Mortgage Societies and House Construction Societies
6.	Processing Society	(a)	Agricultural Processing Society	Societies, which process agricultural produce like Cooperative Sugar Factories and Oil Mills.
		(b)	Industrial Processing Society	
7.	Producers' Society	(a)	Industrial Producers' Society	Wool, Processing and, Tanners' Societies
		(b)	Labourers' Industrial Society	Weavers', and Carpenters' Societies
		(c)	[*****]	Forest Labourers' Societies and Labour Contract Societies

8.	Resource Society	(a)	Credit Resource Society	[Agricultural Credit, Thrift, Urban-Credit and Salary Earners' Societies]
		(b)	Non-Credit Resource Society	Seeds and Implements and Agricultural Requisites Societies
		(c)	Service Resource Society	Service Co-operative and Multipurpose Co-operative Societies,
9.	General Society	(a)	Social	Better Living Societies and Education Societies
		(b)	Commercial	Insurance and Motor Transport Societies
		(c)	Other	Not falling in either of the above sub-classes

[10.	Apex Societies	-	The Maharashtra State Co-operative Bank.]
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(2) If the Registrar alters the classification of a society from one class of society to another, or from one sub-class thereof to another, he shall issue to the society a copy of his order as in the case of an amendment of the bye-laws.

11. Maintenance of register. - (1) The register to be maintained by the Registrar under sub-section (4) of Section 9 shall be in Form 'D'.

(2) The Registrar shall divide the register into parts, one for each district in the State. A society shall be registered in that part, for a district in which its head office is situate.

(3) The Registrar shall assign for each district and each class or sub-class of societies, a code symbol, for giving registration numbers to the societies [***].

12. Amendment of bye-laws. - (1) Subject to the provisions of this rule, bye-laws of a society may be amended by passing a resolution at a [general body meetings] of the society held for that purpose.

(2) The society shall give due notice in accordance with its bye-laws to all the members for considering any amendment thereof.

(3) An amendment shall be deemed to have been duly passed, if a resolution in that behalf is passed at a [general body meetings] by not less than two-thirds of the members present thereat, and voting.

(4) After the resolution is passed, a copy thereof shall, within a period of two months from the date of the meeting at which the resolution was passed, be furnished to the Registrar along with, -

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

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

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

(d) such other information as may be required by the Registrar.

(5) On receipt of a copy of the resolution and other particulars referred to in sub-rule (4), the Registrar shall examine the amendment proposed by the society and if he is satisfied that the amendment is not contrary to the Act or the rules and is in the interest of the society and co-operative movement, he may register the amendment and issue to the society a copy of the amendment certified by him under sub-section (2) of Section 13. Where the Registrar is of opinion that the proposed amendment may be accepted subject to any modification, he may indicate to the society such modification after explaining in writing his reasons therefor.

13. Manner of calling upon society to make amendment to bye-laws. - (1) Subject to the provisions of this rule, the Registrar may by serving a notice in Form 'E' call upon a society to make such amendment to the bye-laws of the society as he considers to be necessary or desirable in its interest, [or as the provisions in bye-laws are inconsistent with the provisions of this Act and rules] within a period not exceeding two months from the date of service of notice. The notice shall state the exact amendment which the society should make.

(2) For the purposes of sub-section (2) of Section 14, the Registrar shall send a copy of the notice to the [State] Federal Society duly notified under that sub-section with a request to offer its comments on the amendment within [forty-five days from the date of receipt of communication] If the [State] Federal Society fails to offer its comments within [forty-five days], it may be presumed by the Registrar that the said society has no objection to the amendment.

(3) If after considering the comments of the [State] Federal Society, if any, the Registrar considers that there is no objection to registering the amendment, he shall send a written notice in Form 'F' by registered post to the registered address of the society calling upon it to show cause in writing, or through a properly authorised representative to appear before the Registrar on the date specified in the notice, as to why the proposed amendment should not be registered within the time specified in the notice in Form 'E'.

(4) After the expiry of the period specified in the notice in Form 'E' and after considering the reply, if any, of the society and the views, if any, of the [State] Federal Society on such reply, the Registrar may, after considering the objections of the society (if any) to the proposed amendment, register the amendment.

14. Change in name of society. - (1) The name of a society may be changed under Section 15 so however that it does not refer to any caste or religious denomination and is not inconsistent with the objects of society.

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

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

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

15. Change of liability. - (1) The change of liability of a society from unlimited to limited, and vice versa, or in terms of multiple of share capital, shall be secured by passing a resolution in that behalf

at a [general body meeting] of the society indicating in clear terms the manner of changing the liability. The society shall give thirty days' notice in writing of such meeting to all its members and creditors and shall furnish them with copies of the resolution proposed to be moved at the meeting. After the resolution is duly moved and passed, a copy thereof shall be sent to the Registrar within thirty days of its passing.

(2) Every notice to be given by the society under sub-section (2) of Section 16 shall be sent by post [Registered Post Acknowledgement Due, Speed Post, Public Notice, Hand Delivery, E-mail] or otherwise to the address of each of its members and creditors as recorded in the books of the society. A copy of such notice shall be exhibited on the notice-board of the society and a copy shall also be sent to the Registrar for exhibition on the notice board in his office; and thereupon, notice of the resolution to change the form or extent of its liability shall be deemed to have been duly given to all its members and creditors, notice not being sent to their correct address or notice not being received by them, notwithstanding.

(3) For the purpose of determining the claims of a member under clause (b) of sub-section (4) of Section 16, the value of a share of a member in a society shall be ascertained as follows: -

(a) In the case of a society with unlimited liability, the value of a share shall be the actual amount received by the society in respect of such share;

(b) In the case of a society with limited liability, the value of a share shall be the amount arrived at by a valuation based on the financial position of the society as shown in the last audited balance sheet, provided that it shall not exceed the actual amount received by the society in respect of such share.

(4) Any member or creditor desiring to exercise his option under sub-section (2) of Section 16 shall inform the society accordingly in writing, and when he does not propose to withdraw his entire shares or deposits, the member or creditor shall clearly indicate in writing the extent of his withdrawal. The society shall examine and draw up a scheme for orderly payment of all claims in an equitable manner including shares, the value of which shall be ascertained in accordance with the provisions of sub-rule (3). The scheme may also provide for settlement of claims by mutual agreement. Where the Registrar does not approve the scheme on the ground of impracticability or undesirability, the resolution passed by the society under sub-rule (1) shall be ineffective, and the form and extent of liability of a society shall not be deemed to be changed in accordance with resolution passed aforesaid.

(5) After the Registrar approves the scheme, the society shall make payments to members and creditors as provided in clause (b) of sub-section (4) of Section 16, make a report to that effect to the Registrar and furnish the Registrar with a proposal to amend the bye-laws of the society duly passed in that behalf. On receipt of the proposal, the Registrar shall register the amendment in accordance with the provisions of Section 13.

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

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

(3) After the receipt of Registrar's approval under sub-rule (2), the society shall convene a [special general body meeting] by giving notice of at least 15 clear days to all its members and creditors and pass a resolution for amalgamation, transfer of assets and liabilities, division or conversion, as the case may be, by two-third majority of the members present and voting at the meeting. The resolution so passed shall contain the purpose and the full scheme indicating how the proposed amalgamation, transfer, division or conversion would be useful to the society and be given effect to. Where the scheme does not involve transfer of liabilities of the society to another society, a statement to that effect shall be made in the application to be made under sub-rule (1). Where the scheme involves transfer of liabilities of the society, the society shall give written notice in Form 'G' to all its members, creditors and other persons whose interests are likely to be affected by such transfer. The notice shall also be published in at least one newspaper in circulation in the district in which the society's office is situated and a copy thereof shall be exhibited on the notice-board in the society's and Registrar's office.

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

(4) Within one month from the date of notice referred to in sub-rule (3), the members, creditors and other persons whose interests are likely to be affected by the transfer of the society's liabilities may exercise their option as required by clause (i) of the proviso to sub-section (1) of Section 17 failing which they shall be deemed to have assented to the transfer of liabilities of the society to another society.

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

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

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

17. Direction by Registrar for amalgamation, division and reorganisation of societies. - (1) Before issuing any order under sub-section (1) of Section 18 providing for the amalgamation, division or reorganisation of any society or societies, the Registrar shall prepare a draft scheme in respect of such amalgamation, division or reorganisation stating in particular the manner in which the new committee or committees, of the society or societies resulting from such amalgamation, conversion or reorganisation shall be constituted and the bye-laws which such society or societies shall follow. The Registrar shall then consult such federal society as may be notified by the State Government in the Official Gazette, [the notified Federal Society shall offer its remarks within forty-five days from the date of receipt of communication. If such Federal Society does not offer remarks within forty-five days, or] and after considering the suggestions, if any, that will be made by such federal society, shall send a copy of the draft of the order proposed to be issued by him under sub-section (1) of Section 18, to the society or each of the societies concerned calling upon it or them to invite objections or suggestions from any member or class of members thereof or from any creditor or class of creditors and to submit such objections and suggestions together with its own or their own

suggestions and objections within a period of not less than two months from the date on which the copy of the draft aforesaid was received by it or them.

(2) The Registrar shall consider all such suggestions and objections and make such modifications in the draft order as may seem to him desirable in the light of those suggestions or objections and then issue a final order under sub-section (1) of Section 18.

(3) Any member or creditor of each of the societies to be amalgamated, divided or reorganised, who has objected to the scheme of amalgamation, division or reorganisation within the period specified in sub-rule (1), may apply to the Registrar for payment of his share or interest, if he be a member, and the amount in satisfaction of his dues, if he be a creditor. Such application shall be separate and distinct from the objection or suggestion which he may have submitted to the society or the Registrar under clause (b) of sub-section (2) of Section 18. It shall be competent for the Registrar to nominate an officer not below the rank of a Deputy Registrar to investigate such applications and to determine the payments required to be made to the members or creditors, as the case may be.

(4) Subject to the provisions of the Act, the rules and the bye-laws, the Registrar may by order require the society concerned to meet in full or satisfy otherwise all due claims of the members and creditors and thereupon the society shall be bound to meet in full or satisfy otherwise all due claims of the members and creditors within such time as may be specified by the Registrar in the order.

18. Reconstructions of a society. - (1) An application for reconstruction of a society under Section 19 may be made, in Form 'H' On receipt of such application, the Registrar may, taking into consideration the compromise or arrangement for reconstruction of the Society, if he thinks fit, prepare a draft order indicating-

- (i) the manner in which the amounts payable by the society to its creditors should be paid and the amounts recoverable from its debtor-members should be recovered;
- (ii) the manner in which the share capital, if any, of such members should be reduced;
- (iii) the manner in which the scheme of reconstruction should be implemented and
- (iv) the manner in which the bye-laws of the society will stand amended in order to give effect to the scheme of reconstruction.

A copy of the draft order shall be exhibited on the notice board of the society and a copy thereof shall be exhibited on the notice board of the Registrar's Office inviting objections and suggestions from all those interested within a specified time, which shall not exceed one month.

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

[18A. Conditions for realising the assets and liquidating the liabilities of the de-registered society by the Official Assignee. - (1) The Official Assignee shall work under the general control, superintendence and directions of the Registrar.

(2) He shall have the following powers for the purposes of realising the assets and for liquidating the liabilities of society which is de-registered under the provisions of subsection (1) of Section 21A, namely,-

- (a) he shall have powers to institute and defend any suit and other legal proceedings, civil and criminal, on behalf of the de-registered society in the name of his office;
- (b) to carry on the business of the society, so far as may be necessary for the beneficial completion of the de-registration proceedings;
- (c) to sell such immovable and movable property and actionable claims of the de-registered society generally by public auction or in exceptional cases by private contract with prior approval of the Registrar;
- (d) to investigate all the claims against the de-registered society and subject to the provisions of the Act, to decide questions of priority arising out of such claims and to pay any class or classes of creditors in full or retable according to the amount of such debts. However, the Official Assignee shall pay all the liabilities in the following priority, namely-
 - (i) his salaries, remuneration, allowances and other claims;
 - (ii) wages and other payments to be made to the employees of the de-registered society including arrears;
 - (iii) expenses required for beneficial completion of de-registration proceedings;
 - (iv) taxes, charges, fees and revenues, etc. payable under any other law for the time being in force and such other dues which are recoverable as arrears of land revenue;
 - (v) any dues payable under the decree of any Court;
 - (vi) deposits;
 - (vii) loans payable to Government of India;
 - (viii) loans payable to the State Government;
 - (ix) any other dues payable to the Government of India;
 - (x) any other dues payable to the State Government;
 - (xi) loans guaranteed by the Government of India;
 - (xii) loans guaranteed by the State Government;
 - (xiii) secured loans;
 - (xiv) unsecured loans;
 - (xv) shares of Government of India;
 - (xvi) shares of State Government;
 - (xvii) shares of any financial institution;
 - (xviii) shares of Co-operative Societies;
 - (xix) shares of other body corporates;
 - (xx) shares of members.
 - [(xxi) other dues, if any.]

- (e) to make any compromise or arrangement, with creditors or persons claiming to be the creditors of having or alleging themselves to have any claims, present or future, whereby he may be rendered liable;
- (f) 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 supposed to subsist between him and contributory or alleged contributory or other debtors or person apprehending liability to him and all questions in any way relating to or affecting the assets of de-registration proceedings on such terms as may be agreed, and to take any security for the discharge of any such calls, liability, debt or claim and give a complete discharge in respect thereof;
- (g) to determine from time to time, after giving an opportunity to answer the claims, the contribution to be made, or remaining to be made by the members or past members of the de-registered society or by the estates, nominees, heirs or legal representatives of the deceased members of de-registered society, or by the officer, post officer of the estate or nominee, heirs or legal representatives of deceased officer to the assets of de-registered society, such contribution being inclusive of debts and dues from such members or officers of the de-registered society;
- (h) to determine from whom and in what proportion the cost of de-registration and that of the proceedings of de-registration shall be borne;
- (i) to fix the time or times within which the creditors shall prove their debts and claims;
- (j) to summon and enforce the attendance of witnesses and to compel the production of any books, accounts, documents/securities, cash or other properties belonging to the society de-registered which have vested in him but are in the possession of any person or body corporate by same means and in the same manner as provided in the case of civil case under the Code of Civil Procedure, 1908;
- (k) to do all acts and to execute in his name on behalf of the society de-registered all deeds, receipts and other documents as may be necessary for finalisation of proceedings of de-registration.

(3) Immediately on his appointment, the Official Assignee shall proceed to realise the assets of the society de-registered by sale or otherwise and liquidate the liabilities.

(4) The Official Assignee, during the tenure of office, present accounts of his receipts, not less than twice in each year, to the Registrar. The Registrar shall cause the accounts to be audited in such manner as he thinks fit and for the purpose of audit, the Official Assignee shall furnish to the Registrar with such accounts and information as he. or the person appointed by him, may require.

(5) The Official Assignee shall on demand and on payment of such fee as he may determine supply a copy of audited account to contributory.

(6) The Official Assignee shall pay such fees as the Registrar may direct for the audit of accounts and books kept by him or by the society de-registered.

(7) He shall be held liable for any irregularities which might be discovered in the course or as a result of audit or otherwise in respect of transaction subsequent to his taking over the charge as Official Assignee and may be proceeded against as if it were an act against which action should be taken under Section 88.

Provided that no such action shall be taken unless the irregularities have caused or likely to cause the loss, damage and have occurred due to gross negligence or an act of omission or commission in carrying out duties and functions assigned to him.

(8) He shall, after settling assets and liabilities of the society de-registered as they stood on the date of his appointment, proceed to determine the contribution to be made or remaining to be made to the assets of the society de-registered by any person and the property of such person and call upon each of them by order to pay the amount specified in such order as contribution and as cost of the proceedings after de-registration as determined under this rule after approval of the Registrar. Every such order shall be submitted for approval to the Registrar who may modify it or refer it back to the Official Assignee for further enquiry or further action.

(9) If the sum assessed against any person is not covered, the Official Assignee may issue subsidiary order or orders against any other person or persons to the extent of the liability of each for the debts of the society de-registered until the whole amount due from such person is recovered. The provision of foregoing rule shall *mutatis mutandis* apply to such order.

(10) He shall submit the progress report and such other reports and statements to the Registrar, as the Registrar may require.

(11) He may empower one or more persons by general or special order in writing to make collection and to grant valid receipts on his behalf.

(12) He shall have power to call meetings of creditors and contributories and it shall be obligatory on all such persons to attend such meetings.

(13) The Official Assignee may, at any time, be removed by the Registrar and he shall on such removal hand over all the property and documents to such persons as the Registrar may direct.

(14) The Official Assignee shall exercise only those powers under the Act and these rules as may be determined by the Registrar by general or special order from time to time and in the manner and subject to the conditions he may impose.

(15) He shall maintain such books and accounts as the Registrar may require him to keep.

(16) He shall submit a final report to the Registrar. On acceptance of such report by the Registrar, the Official Assignee shall, within 30 days, arrange to transfer the entire surplus to the Registrar.

(17) On the day of acceptance of final report of the Official Assignee by the Registrar, all the assets of the society de-registered shall stand vested in the Registrar and the liabilities, if any, remained to have been liquidated, shall stand liquidated.

18B. Purposes for investment of surplus by the Registrar. - (1) The Registrar shall dispose of the surplus vested in him under Rule 18A in any manner at his discretion for the following purposes, namely, -

(i) any object of public utility, welfare activity, education, relief to poor, medical relief and for any other charitable purpose defined in Section 2 of the Charitable Endowment Act, 1890;

(ii) any society registered with similar object which the society de-registered had.

(2) After the Registrar accepts final report and the surplus is transferred to him, he may terminate the appointment of Official Assignee, and from the date of such order the person appointed as Official Assignee shall cease to function.]

[18C. Manner of issue of public notice of the proceedings of de-registration of society. - (1) Where the number of members of the society is so large and it is not possible to ascertain the correct addresses of all such members from the records of the office of the Registrar, and in the opinion of the Registrar it is not practicable to serve notice of hearing on each such individual member as contemplated under the proviso to sub-section (1) of Section 21 A, a public notice of the proceedings of the de-registration of society shall be published in two local newspapers having wide circulation in that locality in which the registered office of the society proposed for de-registration is situated, and of which at least one shall be in the Marathi language. A copy of the said public notice shall be sent to the registered address of the society by registered post acknowledgement due together with the directives to display it in the office of the society. Such copy of the notice shall also be displayed on the notice board in the office of the Registering authority. If the notice sent by such registered post is returned undelivered, the notice shall be treated as having been duly served, but a copy of the said notice shall be displayed on the notice board in the office of the society.

(2) Such public notice shall contain, amongst others, the following items, namely,-

- (a) the reasons for initiating the proceedings for de-registration of the society;
- (b) the date by which any aggrieved person may submit his written statements as to why the proposed action should not be taken;
- (c) the date on which and the place where the Registrar shall give an opportunity of being heard to any aggrieved person;
- (d) the proposed action contemplated under the provisions of sub-sections (2) Section 21A.]

CHAPTER III

Members and their rights and liabilities

19. Conditions to be complied with for admission for membership, etc. - No person shall be admitted as a member of a society unless,-

- (i) he has applied in writing in the form laid down by the society or in the form specified by the Registrar, if any, for membership;
- (ii) his application is approved by the committee of the society in pursuance of the powers conferred on it in that behalf and subject to such resolution as the general body of members may in pursuance of the powers conferred on it in that behalf from time to time pass and in the case of [nominal or associate] member, by an officer of the society authorised in that behalf by the committee;
- (iii) he has fulfilled all other conditions laid down in the Act, the rules and the bye-laws;
- (iv) in case of a firm, company or body corporate, society registered under the Societies Registration Act, 1860, a public trust registered under any law for the time being in force relating to registration of public trusts or a local authority, the application for membership is accompanied by a resolution authorising it to apply for such membership.

[19A. Procedure for tendering application to the Registrar for membership under section 23(1A). -

(1) Where a society has refused to accept the application for membership from eligible person, such person shall tender an application to the Registrar in Form 'H-1' together with requisite share money and entrance fee.

(2) The Registrar, on receipt of such application, shall forward the same to the society concerned together with requisite share money and entrance fee within thirty days from the date of its receipt.

(3) The Society shall take the decision and communicate the same to the applicant within sixty days from the date of receipt of such application as provided in sub-rule (2) and if no decision is communicated to the applicant within the said period of sixty days, the applicant shall be deemed to have been admitted as a member of such society.

(4) In case the society refuses to admit the applicant as its member, it shall communicate the decision within the period of sixty days mentioned in sub-rule (3) with reasons therefor and refund the share money and entrance fee with such communication. If the society fails to refund the said amount, it shall be liable to pay interest at 15% per annum on the said amount from the date of such communication and the said amount if not paid, shall be recovered as an arrears of land revenue.]

20. Procedure for admission of joint members and minor and persons of unsound mind inheriting the share or interest of deceased member. - (1) A society may admit [associate members] provided they make a declaration in writing that the person whose name stands first in the share certificate shall have the right to vote and all the liabilities will be borne jointly and severally by them as provided in the Act, rules and bye-laws.

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

[20A. Mode of communication of classification of non- active member. - If a member is classified as non-active member, the society shall communicate such classification in Form 'W', to the concerned member within thirty days from the date of close of the financial year by Registered Post Acknowledgement Due, by Speed Post, by hand delivery, by email or otherwise and also by publishing name or names of such members on notice board of the concerned society:

Provided that, on fulfillment of conditions, the member shall be reclassified as active member.

20B. Co-operative Education and Training to members, officers and employees, etc. - (1) Every society shall organize education and training programmes for its members, officers and employees through the Federal Societies or State Apex Training Institutes, as notified by the State Government under section 24 A of the Act.

(2) As far as possible the period of education and training for members of committee shall be minimum three days in aggregate during their tenure.

(3) As far as possible all the members, may be covered in five consecutive years.

(4) The rates of contribution towards Cooperative education and training to be made by the society shall be as notified by the State Government from time to time.

(5) Every year the society shall make a provision in its annual budget at such rates as may be notified by the State Government from time to time.

(6) The society shall make payment for Co-operative education and training to the concerned State Federal Societies or to the concerned State Apex Training Institutes from such budgetary provision.

(7) The State Government shall notify rates of contribution towards Co-operative education and training for society or class of societies considering turnover, working capital, number of members, area of operation, number of officers, net worth, or otherwise.]

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

(2) No resignation of a membership shall be accepted by the society unless the member has paid in full, his dues, if any, to the society and has also cleared his liability, if any, as surety to any other member or otherwise.

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

(4) Any member, whose resignation has been accepted by the society, or any heir or legal representative of a deceased member, may demand refund of the share capital held by such member or deceased member and the society shall, subject to the provisions of sub-clause (3) of Section 29 and subject to the provisions of the bye-laws, refund the amount within six months from the acceptance of the resignation or, as the case may be, the date of demand made by the heir or legal representative of the deceased member.

(5) In all the cases where share capital is to be refunded, valuation of the shares to be refunded shall be made in accordance with the provisions contained in Rule 23.

22. Voting rights of individual members in a Federal Society. - (1) In the case of Federal Societies, the voting rights of individual members (which term shall include firm, company or body corporate, society registered under Societies Registration Act, 1860, State Government, local authority and public trust registered under any law for the time being in force relating to registration of public trusts but shall not include a society) may be regulated as follows :-

[(a) Immediately after the close of financial year and as soon as possible before the annual general body meeting, individual members admitted to membership and those who are classified as active member up to the close of the preceding financial year (hereinafter referred to as "the relevant date"), shall elect delegates equal to one-fourth of the number of societies admitted to membership up to the relevant date or one delegate for every twenty-five individual members (fractions being neglected) whichever is less. The delegates so elected shall continue in office till their successors are elected before close of every financial year;]

(b) Every society through its properly authorised representative and every delegate referred to in clause (a) above shall have one vote in the [general body meeting].

(c) The quorum for the meeting shall be one-fifth of the total number of delegates and representatives of the societies or 25 whichever is less :

Provided that the delegates shall not at any time in the meeting exceed one-fourth of the number of representatives of the societies.

(d) The election of delegates shall be held in accordance with the provisions of the bye-laws.

(e) Any vacancy of a delegate caused on account of cessation of membership shall be filled by the delegates by co-opting one of the individual members.

(2) Unless otherwise provided by the Registrar in respect of any particular society, the delegates on the committee or the Board of Directors, as the case may be, shall not at any time exceed one-third of the number of representatives of societies (fraction being neglected).

23. Valuation of shares. - (1) Where a member of society ceases to be a member thereof, the sum representing the value of his share or interest in the share capital of the society to be paid to him or his nominee, heir or legal representative, as the case may be, shall be ascertained in the following manner, namely, -

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

(ii) In the case of a society with limited liability, it shall be the [of shares by dividing net worth of the society by number of shares] based on the financial position of the society as shown in the last audited balance sheet preceding the cessation of membership :

Provided that the amount so ascertained shall not exceed the actual amount received by the society in respect of such share or interest.

(2) Where a person is allotted a share by a society, the payment required to be made therefor shall not exceed the face value of the share notwithstanding anything contained in the bye-laws of the society.

(3) When a share is transferred by a member to another member duly admitted as a member of a society, the transferee shall not be required to pay anything in excess of the value of the share determined in accordance with sub-rule (1).

[Explanation. - For the purpose of this rule, net worth means the figure arrived at after including paid-up share capital and the amount of reserves (Reserve fund, unutilized building fund, dividend equalization fund, carried forward balance net profit, any other fund which is not marked specifically for any liability) and deducting there from accumulated loss, short fall in provision. In case of society doing banking business guidelines of the Reserve Bank of India or National Bank as the case may be, shall apply in this behalf.]

24. Procedure for transfer of shares. - (1) No transfer of shares shall be effective unless,-

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

(b) a clear fifteen days' notice in writing is given to the society indicating therein the name of the proposed transferee, his consent, his application for membership, where necessary, and the value proposed to be paid by the transferee;

(c) all liabilities of the transferor due to the society are discharged; and

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

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

25. Nomination of persons. - For the purpose of transfer of his share or interest under sub-section (1) of Section 30, a member of a society may, by a document signed by him or by making a statement in any book kept for the purpose by the society nominate any person or persons. Where the nomination is made by a document, such document shall be deposited with the society during

the member's life time and where the nomination is made by a statement, such statement shall be signed by the member and attested by one witness.

(2) The nomination made under sub-rule (1) may be revoked or varied by any other nomination made in accordance with that sub-rule.

(3) (i) Where a member of a society has not made any nomination, the society shall on the member's death, by a public notice exhibited at the office of the society, invite claims or objections for the proposed transfer of the share or interest of the deceased within the time specified in the notice.

(ii) After taking into consideration the claim or objections received in reply to the notice or otherwise, and after making such inquiries as the committee considers proper in the circumstances prevailing, the committee shall decide as to the person who in its opinion is the heir or the legal representative of the deceased member and proceed to take action under Section 30.

26. Registration of nominations. - The name and address of every person nominated for the purposes of sub-section (1) of Section 30 and any revocation or variation of such nomination shall be entered in the register kept under Rule 32.

27. Supply of copies of documents by societies and fees therefore. - (1) A member of a society requiring a copy of any of the documents mentioned in subsection (1) of Section 32 may apply to the society for the same. Every such application shall be accompanied by a deposit of such amount as may be decided by the committee for recovering the cost of preparing the copies according to the following scale, namely :-

[up to A4 Size paper-per page Rs. 2, larger than A4 Size paper-per page Rs. 3.]

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

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

(3) The copies shall be certified and signed as true copies by any person duly authorised in this behalf by the committee or under the bye-laws of the society.

28. Expulsion of Members. - Any member who has been persistently defaulting payment of his dues or has been failing to comply with the provisions of the bye-laws regarding sales of his produce through the society, or other matters in connection with his dealings with the society or who, in the opinion of the committee, has brought disrepute to the society or has done other acts detrimental to the interest or proper working of the society [or for the reasons mentioned in section 26 of the Act,] may, in accordance with the provisions of sub-section (1) of Section 35, be expelled from the society. Expulsion from membership may involve forfeiture of shares held by the member.

29. Procedure for expulsion of members. - (1) Where any member of a society proposes to bring a resolution for expulsion of any other member, he shall give a written notice thereof to the Chairman of the society. On receipt of notice or when the committee itself decides to bring in such resolution, the consideration of such resolution shall be included in the agenda for the next [general body meetings] and a notice thereof shall be given to the member against whom such resolution is proposed to be brought, calling upon him to be present at the [general body meetings] to be held not earlier than a period of one month from the date of such notice and to show cause against

expulsion to the general body of members. After hearing the member, if present, or after taking into consideration any written representation which he might have sent, the general body of members shall proceed to consider the resolution.

(2) When a resolution passed in accordance with sub-rule (1) is sent to the Registrar [along with application, the Registrar may consider the resolution and after due inquiry and giving reasonable opportunity of being heard to such member give his decision within ninety days from the date of receipt of application and communicate the same to the society and the member concerned.] The resolution shall be effective from the date of such approval.

[30. Inspection of documents in the Registrar's office by members of societies and the scale of fees for supply of copies of documents. - A member of a society may inspect the following documents in the office of the Registrar free of charge, and may obtain certified copies thereof on payment of the fees, namely :-

	Document	Fees
(i)	Application for registration of society,	Up to A 4 Size paper per page Rs. 2, Larger than A4 Size paper per page Rs.3
(ii)	Certificate of registration,	-do-
(iii)	Bye-laws of societies,	-do-
(iv)	Amendment of bye-laws of a society,	-do-
(v)	Order of cancellation of the registration of a society, if any,	-do-
(vi)	Audit report of a society,	-do-
(vii)	Annual balance sheet,	-do-
(viii)	Order under section 88,	-do-
(ix)	Order of suspension or supersession of a committee or removal of any member thereof, if any,	-do-
(x)	Any other order against which an appeal or revision is provided.	-do-]

[30A. Co-operative Education and Training to members, officers and employees, etc. - (1) Every society shall organize education and training programmes for its members, officers and employees every year through the State Federal Societies or State Apex Training Institutes which are notified by the State Government under section 24 A of the Act.

(2) As far as possible period of education and training shall be,-

(a) for members at least one day and maximum up to three days ;

- (b) for members of committee at least one day and maximum up to three days;
 - (c) for officers of the society minimum two days;
 - (d) for employees at least two days and maximum up to seven days ;
- (3) As far as possible the members, may be covered in five consecutive years.
- (4) Committee members and employees shall be covered at least once in five years or as specified in bye-laws of the society.
- (5) The State Federal Societies or the State Apex Training Institutes which may be notified by State Government shall, arrange to cater the co-operative education and training to the members, officers and employees of the respective societies, at their request to arrange for the same.
- (6) The State Federal Societies or State Apex Training Institutes to be notified by the State Government shall have,-
- (a) registration under the provisions of the Act or any other Act ;
 - (b) area of operation shall be the State Maharashtra;
 - (c) provision in their bye-laws to impart cooperative education and training to the members, officers and employees of the societies ;
 - (d) adequate infrastructure to provide cooperative education and training to the societies ;
 - (e) qualified Teaching and non-Teaching staff on their establishment or panel;
 - (f) adequate experience in the field of imparting Co-operative Education and Training to the societies ;
- (7) The State Federal Societies or State Apex Training Institutes shall have liberty to engage other societies having infrastructure and experience for catering Co-operative education and training as their agents for imparting Co-operative education and training.
- (8) The societies shall, every year make provision and contribute to Cooperative education and training fund of the notified State Federal Societies or State Apex Training Institutes.
- (9) The rates of contribution to the Cooperative education and training fund to be made every year by the societies to the State Federal Societies or State Apex Training Institutes shall be as notified by the State Government from time to time and different rates may be notified for different societies or classes of societies.
- (10) The education and training fund shall be managed by the State Federal Societies or the State Apex Training Institutes as the case may be for achieving the objects as specified in their bye-laws.]

CHAPTER IV

Incorporation, duties and privileges of societies

31. Procedure for change of address of societies. - (1) Every society shall communicate in writing to the Registrar its postal address as indicated in its bye-laws registered under the Act and wherever applicable mention the name of the district, taluka, tahsil, town or village, municipal ward or mohalla, street, house number and postal circle. While communicating the postal address of the society, the committee of the society shall also send a copy of a resolution passed by it for adoption of the address communicated to the Registrar.

(2) On receipt of the communication from the society under sub-rule (1), the Registrar shall register the address communicated by the society in a register to be maintained for that purpose and inform the society of such registration.

(3) Every change in its registered address shall be communicated by the society to the Registrar in the manner laid down in sub-rule (1). Any such change shall not be treated as registered unless, -

(i) it is indicated in the bye-laws by amending them and the amendment so made is registered under the Act, and

(ii) the change is registered in the manner laid down in sub-rule (2).

(4) The registered address of a society or such change therein as may be registered, from time to time, shall be exhibited on the notice board of the society, immediately after registration.

32. Register of Members. - The register of members to be kept by every society under sub section (1) of Section 38 shall be in Form T.

33. List of Members. - The list of members to be kept by every society under Section 39 shall be in Form 'J'. [The society, at the close of every financial year, shall prepare the list of active members in Form "J - 1" and the list of non-active members in Form "J - 2" as per the provisions of section 26 of the Act.]

34. Certified copies of entries in books of societies. - For the purposes of Section 40, copies of any entries referred to in that section may be certified by any officer of the society duly authorised in that behalf by the committee under the seal of the society.

35. Conditions for borrowing by societies with limited liability. - (1) No society other than those referred in Rules 36 and 37 with limited liability shall, without the previous sanction of the Registrar, incur liability exceeding in total ten times the total amount of its paid up share capital, accumulated reserve fund and building fund minus accumulated losses :

Provided that central banks, urban banks and producers' societies shall not except with the previous sanction of the Registrar, incur liabilities exceeding twelve times the total of their paid up share capital, accumulated reserve fund and building fund minus accumulated losses.

Explanation. - In calculating the total amount of liability for the purposes of this sub-rule, in the case of any society or class of societies the bye-laws of which permit borrowing or granting credit facilities on the pledge of agricultural produce or other goods specified in that behalf by the Registrar, by general or special order, a sum equal to the amount borrowed by such society or class of societies, on the security of agricultural produce or other goods of such society or its members, shall be excluded from the amount of the actual liability under this rule.

(2) Any society may incur liabilities in excess of the limit specified in sub-rule (1) by receiving deposits or borrowing loans subject to the condition that the amount received as deposits or borrowed as loans in excess of the said limit shall not be utilised in the business of the society but shall be invested in Government securities which, in the case of Central Banks, shall be deposited with the Maharashtra State Co-operative Bank and, in case of other co-operative banks, with the Central Banks. No society shall borrow against such securities.

36. Conditions for borrowing of Maharashtra State Co-operative Bank. - Except with the previous sanction of the Registrar, the Maharashtra State Cooperative Bank Limited shall now incur liabilities exceeding in total fifteen times the total amount of its paid up share capital, and all reserves minus accumulated losses, actual bad debts, if any, and overdue interest:

Provided that the Bank may incur liabilities in excess of the aforesaid limit by receiving deposits or borrowing loans subject to the condition that the amount received as deposits or borrowed as loans in excess of the said limit shall not be utilised in the business of the bank but shall be invested

in Government securities which shall be deposited with the Reserve Bank of India. The bank shall not borrow against such securities.

Explanation: - In calculating the total amount of liability for the purposes of this rule, a sum equal to the amount borrowed by the Bank on the security of agricultural produce or other goods of the members of the bank shall be excluded from the amount of the actual liability under this rule.

37. Conditions for borrowing of [Co-operative Agriculture and Rural Multipurpose Development Bank]. - [Co-operative Agriculture and Rural Multipurpose Development Bank] may incur liabilities not exceeding in total twenty times the total amount of their paid up share capital, accumulated reserve and building funds minus accumulated losses.

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

39. Raising of funds by societies. - (1) Every society, which has a share capital, shall provide in the bye-laws the maximum amount of such share capital, the number of shares into which it is divided, the class of shares, the face value of each share of each class and the rights and liabilities attaching to each class of shares and where the full amount of the share is not payable on allotment, the amount and the number of instalments in which it is required to be paid and such other incidental matters.

(2) Any society, which is authorised under its bye-laws to raise funds by the issue of debentures and bonds, may, with the prior sanction of the Registrar, frame regulations regarding the maximum amount to be raised by the issue of debentures and bonds, the class or classes of debentures and bonds, the face value of each debenture or bond, the date on which the debentures or bonds are to be redeemed, the rate at which interest is payable, the terms and conditions regarding transfer of debentures and bonds and other incidental matters.

(3) The total amount of debentures and bonds issued at any time together with the other liabilities incurred by the society shall not exceed the maximum amount which the society can borrow under the provisions of Rule 35, 36, 37 or 38, as the case may be, and its bye-laws.

40. Additional conditions for raising funds by societies. - The Registrar may, by general or special order, lay down such additional conditions as he deems fit, subject to which and the extent upto which any society or class of societies may receive deposits, issue debentures or raise loans from any creditor other than a Central Bank.

41. Maintenance of liquid resources and distribution of assets. - Every society which obtains any portion of its working capital by deposits shall,-

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

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

42. Regulation of loans to be granted by societies. - (1) In case of grant of loans against security of moveable or immovable property, the lending society shall maintain such margin as the

Registrar may, with the approval of the Apex Bank, by general or special order, direct from time to time with reference to different commodities, securities or classes of societies.

(2) In case of cash credit, the amount of loan shall not exceed such multiple of owned funds of the borrowing society as may be laid down by the Registrar with the approval of concerned financing agency from time to time.

(3) It shall be lawful for a society to grant loans without taking security of moveable or immovable property if the purpose for which the loan given is considered production-worthy or creditworthy and it is reasonably expected that the loans will be repaid by the loanee. The Registrar may, with the approval of the Apex Bank, issue directions to societies to ensure that creditworthy purposes indicated above receive finance from the societies without any difficulties on the one hand and without being detrimental to the financial interest of the societies on the other.

(4) The Registrar may recognise a Central Bank as the Central Financing Agency which shall be primarily responsible for financing credit requirements of all creditworthy purposes through the concerned societies in its jurisdiction. On such recognition, such Bank shall be responsible for making all possible efforts to mobilise local resources for making loans available to the societies in its area. Such loans may be granted for creditworthy purposes, giving due importance to the production plans and requirements of various stratus of the producers and co-operative societies with reference to linking up of credit with cooperative processing or co-operative marketing.

(5) Except with the general or special permission of the Registrar, the loan advanced to a member by a society, or to a society by a bank, shall be subject to such conditions as may be laid down by the Registrar, with the approval of the Apex Bank, including the maximum amount to be advanced and the period of repayment, both in regard to total advances to members and societies as also against different types of securities.

(6) No society shall carry on transactions on credit or sanction trade credit to its members or to non-members except in accordance with the general directions that may be issued by the Registrar in that behalf.

(7) In the matter of grant of loans to societies by Central Banks or to members by Primary Societies, the Registrar may lay down with the approval of the Central Banks, the procedure regarding receiving applications, assessing credit needs, making inquiries in respect of the production programme for which such loan is required and the procedure for finally sanctioning the loan as also the rates of finance to be followed from year to year and the nature of inquiries to be made for the purpose of financing of different crops and imposition of certain conditions regarding proper utilisation of loan and sale of agricultural produce through specified co-operative organisation, before such finance is granted.

(8) The Registrar may with the approval of the Apex Bank, by general or special order, prohibit or regulate grant of loans by a Central Bank or a society where such grant is considered neither in the interest of the society nor in the interest of the development of co-operative movement on sound lines.

43. Conditions to be complied with by members applying for loans. - (1) Every member of a society applying for a loan from the society shall be required to hold shares in such manner and in such proportion to the amount of loan applied for by him as may be specified in the bye-laws of the society.

(2) Subject to the maximum limit specified in the bye-laws, a loan to be granted to a member of a resource society and the period of its repayment shall be in accordance with the standard laid down by the Registrar in consultation with the Central Bank and the Federal Society. A loan in excess

of the maximum amount may be granted to a member with the previous sanction of the Central Bank and the Federal Society to which the society is affiliated :

Provided that where the amount of the loan exceeds twice the maximum limit contained in the bye-laws, prior sanction of the Registrar shall also be obtained.

44. Credit limits by non-credit societies. - (1) No society whose objects do not include grant of loan or financial accommodation to its members shall grant loans or sanction credit to any member without the sanction of the Registrar:

Provided that any society which has, as one of its objects, supply of goods or services required by members for production purposes, may supply goods or provide services on credit against sufficient security on condition that the cost of the goods supplied or services provided shall be recoverable from the amount of the sale proceeds of the agricultural produce or other goods produced by the member.

(2) A consumer society may sell goods on credit to its members and other customers up to the extent of deposits received from them.

45. Restrictions on borrowing from more than one credit society. - (1) Every person who is a member of more than one resource society (other than a [Co-operative Agriculture and Rural Multipurpose Development Bank] or a Central Bank or a marketing society) dispensing credit shall, if he has not already made, make a declaration in Form that he will borrow only from one such society to be mentioned in the declaration and shall send a copy of such declaration duly attested to all societies of which he is or has become a member.

(2) Any person who continues to be a member of more than one such society without complying with the provision of this rule shall be liable to be removed from the membership of any or all such societies upon receiving a written requisition from the Registrar to that effect:

Provided that the society from which a person has borrowed may permit him to borrow from any other society of which he is a member to such extent and subject to such conditions as may be laid down by it.

(3) The Registrar may, for reasons to be recorded in writing, exempt any person or persons from the operation of this rule or prohibit any person or persons from borrowing from more than one society, notwithstanding that permission of the society under proviso to sub-rule (2) has been obtained by him.

[45A. Limits on loans against fixed deposits. - (1) When a society makes a loan to a depositor on the security of his fixed deposit with the society, the amount of loan shall not exceed 90 per cent of the deposit amount and the period for which the loan is granted shall not extend beyond the date of maturity of the fixed deposit.

(2) If the depositor does not repay the loan within the period for which it is granted, the fixed deposit amount may be adjusted towards the repayment of the loan amount and the interest thereon, and only the balance, if any, shall be paid by the society to the depositor on the date of maturity.]

46. Manner of recalling of loan. - (1) Notwithstanding anything contained in the agreement entered into with the borrowing member, the committee of a society shall be entitled, after giving a week's notice to such member, to recall the entire loan amount immediately, when it is satisfied that the loan given has not been applied for the purpose for which it was given or there has been breach of any of the conditions for grant of such loan.

(2) Nothing in this rule shall be deemed to preclude the Registrar from directing the society to recall a loan of his own motion, when it is brought to his notice that the loan given by the society has been misapplied or conditions thereof have not been followed. The Registrar may make in the matter such inquiries as he may deem necessary and after giving a show cause notice to the society

issue with the prior approval of the co-operative bank financing the society, necessary directions to the society. The directions issued by the Registrar in this respect shall be complied with by the society.

[46A. Restrictions on borrowings from non-members. - No society shall receive or raise loans from non-members [including any banking company other than the Central Bank], unless specially authorised by [the Cooperative court] and such non-member from whom any loan is received or raised, gives an undertaking to the society that any dispute arising out of the transaction shall be referred to the Registrar for decision under Section 91.]

[46B. Restrictions on credit sales to non-members. - Where the bye-laws of a society permit credit sales, such sales may be made to traders and other nonmembers provided that the person to whom such sales are made gives an undertaking to the society that any dispute arising out of the transactions shall be referred to [the Cooperative court] for decision under Section 91.]

47. Restrictions on transactions with non-members. - On the application of a member of any society or of his own motion, when it appears to the Registrar that it is necessary in the interest of the working of any particular society to regulate or restrict transactions of such society with any non-member, the Registrar shall, after giving an opportunity to the society of being heard, issue such directions as he may consider necessary regulating or restricting such transactions.

48. Form of declarations be made by members borrowing loans from certain societies and conditions on which any charge in favour of a society shall be satisfied. - (1) A declaration to be made under clauses (a) and (b) of Section 48 shall be in Form 'L'.

(2) A register of such declarations shall be kept by the society in Form 'M'.

(3) A charge on any immovable property created by a member in favour of a society for amounts borrowed or likely to be borrowed by him, from time to time, shall, subject to the provisions of clauses (c) and (d) of Section 48 continue in force till the person creating the charge ceases to be a member of the society.

(4) Where a member of a society creates a charge on his land or on his interest in any land as a tenant by declaration under Section 48, the society may, if compelled to make use of such property for the recovery of the loan granted to such member against the security of such property or interest in the property, utilise the whole or any portion of such property which may be sufficient to satisfy the amount due with interest and any incidental expenses incurred in that connection.

(5) Where a charge is created by a member on his land or on his interest in any land as a tenant by declaration under Section 48, the society shall record or cause to record such particulars of charge in the Record of Rights maintained by the village officers of the village where such property is situated. Such recording of the charge in the Record of Rights of the village shall be treated as a reasonable notice of such charge created under Section 48.

CHAPTER V

Property and funds of societies

49. Writing off of bad debts and losses. - All loans including interest thereon and recovery charges in respect thereof which are found irrecoverable and are certified as bad debts by the auditor appointed under Section 81 shall first be written off against the Bad Debt Fund and the balance, if any, may be written off against the Reserve Fund and the share capital of the society.

All other dues and accumulated losses or any other loss sustained by the society which cannot be recovered and have been certified as irrecoverable by the auditor may be written off against the Reserve Fund or share capital of the society :

Provided that-

- (1) no bad debts or losses shall be written off without the [prior approval of the General Body Meeting having such subject on agenda of the meeting;]
- (2) before any such bad debts or losses are so written off, the society, if it is affiliated and indebted to a Central Bank, shall first obtain the approval of that bank in writing and also the approval of the Registrar. If the society is affiliated but not indebted to the Central Bank and in all other cases it shall obtain the approval of the Registrar in writing. If the society itself is a Central Bank, approval of the State Co-operative Bank and the approval of the Registrar shall first be obtained :

Provided that in case of societies classified as A or B at the time of last audit, no such permission need be taken if the bad debts are to be written off against the Bad Debt Fund specially created for the purpose :

Provided further that the Registrar may, while giving the approval, impose such conditions as to [writing off and] the recoupment of the Bad Debt Fund and restoration of part or whole of the amount written off against the Reserve Fund, from out of future profits as he deems fit.

[49A. Calculation of net profits. - (1) A society shall calculate the net profits by deducting the following from the gross profits for the year -

- (i) all interest accrued and accruing on amounts of overdue loans (excepting overdue amounts of loans against fixed deposit, gold, etc.);
- (ii) interest payable on loans and deposits;
- (iii) establishment charges;
- (iv) audit fees or supervision fees;
- (v) working expenses including repairs, [and maintenance] rent and taxes;
- (vi) depreciation;
- (vii) bonus payable to employees under the Payment of Bonus Act, 1965;
- (viii) provision for payment of Income-tax;
- (ix) amount to be [earmarked as contribution to the co-operative education and training in terms of fees] which may be notified by the State Government in this behalf;
- [(x) provision for Election Fund for payment of election expenses;]
- (xi) provision for bad and doubtful debts;
- (xii) provision for share capital Redemption Fund;
- (xiii) provision for Investment Fluctuations Fund;
- (xiv) provision for retirement benefits to the employees;
- (xv) provision for any other claims admissible under any other law;

(xvi) provision for bad debts and revenue losses not adjusted against any fund created out of profits.

[(xvii) expenses on advertisement, propaganda and publicity relating to activities and the business of the society not exceeding the ceiling limit as specified by the Registrar or State Government from time to time.]

(2) In addition to the sums referred to in sub-rule (1) of this rule, the following sums shall be deducted by a society from its profits :-

(i) contribution, if any, to be made to any sinking fund or guarantee fund, constituted under the provisions of the Act, these rules or bye-laws of the society for ensuring due fulfilment of guarantee given by Government in respect of loans raised by the society;

(ii) provision considered necessary for depreciation in the value of any Security Bonds or Shares held by the society as part of its investments.

(3) The net profit thus arrived at together with the amount of profits brought forward from the previous year shall be available for appropriation.]

50. Appropriation of profits. - (1) The other purposes for which a society may appropriate its profits shall be education and enlightenment of the members of the society as also any co-operative or charitable purpose including relief to the poor, education, medical relief and advancement of any other general public utility, provided that the expenditure on such items does not exceed [twenty] per cent of the net profits.

[(2) The net profits calculated in accordance with the provisions of rule shall be appropriated for the creation of -

(a) Development Fund;

(b) Dividend Equalisation Fund; or

(c) any other fund created under bye-laws.]

51. Amounts to be deducted by a Society from its profits before arriving at its net profits. - In addition to the sums referred to in sub-section (1) of Section 65, the following sums shall be deducted by a society from its profits before arriving at its profit for the purposes of sub-section (2) of Section 65 ;

(i) Contribution, if any, to be made to any sinking fund or guarantee fund constituted under the provision of the Act, these rules or bye-laws of the society for ensuring due fulfilment of guarantee given by Government in respect of loans raised by the society.

(ii) Provision considered necessary for depreciation in the value of any security, bonds or shares held by the society as part of its investment,

(iii) Any provision required to be made for the redemption and share capital contributed by Government or by a Federal Society.

52. Bonus and Dividend Equalization Fund. - (1) A society may create out of its net profits a fund to be called the Bonus Equalization Fund [for payment of bonus to persons other than its paid employees] [who are not its members].

(2) Except otherwise specifically authorised by the Registrar, [the fund] so created shall be utilised in accordance with the provisions of the bye-laws of the society only [for payment of such bonus].

[(3) A society may create the Dividend Equalization Fund and credit to it a sum need exceeding 2 percent of the paid-up share capital in any year, until the total amount in such Fund amounts to 9 percent of the paid-up share capital. The society may draw upon this fund in any year only when it is unable to maintain a uniform rate of dividend it has been paying during the last preceding five years] or more.

(4) No society shall declare a dividend at a rate exceeding that recommended by its committee.

[53. Rates of annual contribution to education fund of State Federal Society. - [Amount due on the date of commencement of the Maharashtra Co-operative Societies (Amendment) Act, 2013 (XVI of 2013) shall be contributed to such State Federal Society as is notified by the State Government under section 68. The rates at which the classes of societies specified under column (2) of the Table below shall contribute towards the education fund specified against them in column (3) of the said Table-]

Sl. No.	Class of Society	Rate of contribution per year per society
1	2	3
1.	Maharashtra State Co-operative Bank	2 paise per Rs. 100 of working capital subject to a maximum of Rs. 5,00,000.
2.	Maharashtra State Co-operative Agricultural and Rural Development Bank.	Rs. 1/10 per cent of working capital subject to a maximum of Rs. 1,00,000.
3.	Maharashtra State Co-operative Marketing Federation.	Rs. 1/10 per cent of working capital subject to a maximum of Rs. 1,50,000.
4.	Maharashtra State Co-operative Housing Finance Corporation.	Rs. 1/10 per cent of working capital subject to a maximum of Rs. 1,00,000.
5.	Maharashtra State Co-operative Consumers' Societies Federation.	2 paise per Rs. 100 of working capital subject to a maximum of Rs. 2,00,000.
6.	Maharashtra State Co-operative Sugar Factories Federation.	Rs. 5,000
7.	Maharashtra State Co-operative Fisheries Federation.	Rs. 1,000

8.	Maharashtra State Co-operative Cotton Grower Marketing Federation.	Rs. 1,50,000
9.	Maharashtra State Co-operative Diaries Societies Federation.	Rs. 5,000
10.	Maharashtra Co-operative Spinning Mills Federation.	Rs. 5,000
11.	Maharashtra State Co-operative Power-looms Societies Federation.	Rs. 2,500
12.	Maharashtra State Co-operative Textile Corporation.	Rs. 1,000
13.	Maharashtra State Co-operative Handloom Societies Federation.	Rs. 2,500
14.	Maharashtra State Agricultural Produce Market Committees Federation.	Rs. 1,000
15.	Maharashtra State Co-operative Cotton Growers Processing Societies Federation.	Rs. 2,500
16.	Maharashtra State Co-operative Tribal Development Corporation.	Rs. 1,000
17.	Maharashtra State Co-operative Tribal Development Corporation.	Rs. 1,000
18.	Maharashtra State Co-operative Labour Societies Federation.	Rs. 1,000
19.	Maharashtra State Co-operative Banks Association.	Rs. 5,000

20.	Maharashtra State Co-operative Oil Seed Processing Federation.	Rs. 5,000
21.	Maharashtra State Sugar Industries Development Cooperative Societies.	Rs. 1,000
22.	Maharashtra State Co-operative Engineering Societies.	Rs. 5,000
23.	Maharashtra State Co-operative Jangle Kamgar Federation.	Rs. 1,000
24.	Co-operative Sugar Factories.	2 paise per ton of the last year Sugar Cane crushed, subject to maximum of Rs. 75,000.
25.	District Central Co-operative Banks.	(a) District Central Co-operative Banks of Raigad, Ratnagiri, Sindhudurg, Chandanpur and Gadchiroli Rs. 10,000.
		(b) The revitalised District Co-operative Banks in the State Rs. 15,000.
		(c) Other District Central Co-operative Banks in the State Rs. 30,000.
26.	Sholapur District Industrial Cooperative Banks.	Rs. 15,000
27.	Urban Co-operative Banks.	(a) Working capital upto Rs. 5 crores Rs. 5,000.
		(b) Working capital of Rs, 5 crores to Rs. 50 crores of Rs. 10,000.
		(c) Working capital above Rs. 50 crores Rs. 30,000.

28.	Urban Co-operative Credit Societies.	1/10 per cent of Working Capital, subject to minimum rupees 100 and maximum of Rs. 5,000.	
29.	Salary Earners, Factory Workers, Mills Workers, Thrift Fund and Credit Societies.	1/10 per cent of Working Capital, subject to maximum Rs. 1,000.	
30.	District Agro Industrial Serva Seva Co-operative Societies and Purchases and Sale Societies having jurisdiction in one or more Districts.	1/10 per cent of Working Capital, subject to maximum of Rs. 20,000.	
31.	Primary Marketing Societies.	1/10 per cent of Working Capital, subject to maximum of Rs. 2,000.	
32.	Whole-sale Co-operative Consumer Stores.	1/10 per cent of Working Capital, subject to maximum of Rupees 20,000.	
33.	Primary Co-operative Consumers Stores.	2 paise per Rs. 100 of working capital, subject to minimum of Rs. 100 and a maximum of Rs. 2,00,000.	
34.	Co-operative Spinning Mills.	(a)	Which have not gone in production of Rs. 1,000.
		(b)	Which have gone in production of Rs. 10,000.
35.	Co-operative Ginning and Pressing Societies.	Rs. 100	
36.	Primary Seva Sahakari Sanstha.	(A)	Rs. 10 in respect of those which have suffered loss during the previous cooperative year.
		(B)	1/10 per cent of the Working capital in respect of those which have earned profit during the previous year subject

			to maximum of Rs. 1,000.
37.	Milk Co-operative Unions Taluka and District.	(a)	Having collection of 3 lacs liters Milk of previous year Rs. 500.
		(b)	Having collection of 3 to 4 lacs litters Milk of previous year Rs. 1,000.
		(c)	Having collection of 4 to 5 lacs liters Rs. 1,500.
		(d)	Above 5 lacs liters Rs. 2,000.
38.	Primary Co-operative Dairy Societies.		Rs. 100
39.	Co-operative Poultry Societies Federation.		Rs. 100
40.	Co-operative Lift Irrigation Societies.		Rs. 100
41.	Agricultural Processing Cooperative Societies.		Rs. 100
42.	Grain Banks.		Rs. 100
43.	Piggery and Live Stock Cooperative Societies (including breeding).		Rs. 100
44.	Sugarcane Supply Co-operative Societies.		Rs. 500
45.	Industrial Co-operative Estate.		Rs. 100
46.	Labour Contract Co-operative Societies.		Rs. 100
47.	Forest Labourers Co-operative Societies.		Rs. 100
48.	Agricultural Non-Credit Cooperative Societies.		Rs. 100

49.	Non-Agricultural Non-Credit Societies.	Rs. 100	
50.	Co-operative Farming Societies.	Rs. 100	
51.	Co-operative Fisheries.	Rs. 100	
52.	Primary Co-operative Poultry.	Rs. 100	
53.	Vidarbha Premier Co-operative Housing Society.	Rs. 5,000	
54.	Co-operative Housing Society.	(a)	Having jurisdiction of Corporation, Nagarpalika and Cantonment Board. per Member Rs. 3.
		(b)	Having jurisdiction of Gram Panchayat. per Member Rs. 2.
55.	Vidarbha Co-operative Marketing Societies.	1/10 of the Working Capital subject to maximum of Rs. 20,000.	
56.	Co-operative Distillery Societies.	Rs. 5,000	
57.	Mula Pravara Co-operative Electrical Societies Limited Shrirampur District Ahmednagar.	Rs. 1,000	
58.	Other Societies.	(a)	Village and Taluka jurisdiction ... Rs. 100.
		(b)	District jurisdiction ... Rs. 500.
		(c)	State jurisdiction Rs. 1,000.]

[53A to 53B. ***.]

54. Utilisation and investment of reserve fund. - (1) A society shall, in addition to the modes specified in clauses (a) to (d) of Section 70, invest or deposit its reserve fund in any one or more of the following permitted modes namely-

[(i) ***]

[(ii) ***]

(iii) In debentures issued by the Apex [Co-operative Agricultural and Rural Multipurpose Development Bank or State or Central Government] or in Government loans, or

(iv) In any immovable property [***]

the Registrar by a general or special order:

[Provided that, in the case of a society whose reserve fund is equal to or more than its paid-up share capital, such society may invest that portion of the reserve fund which is in excess of its paid-up share capital, or a portion thereof, in its business decided by general body meeting with prior approval of the Registrar.] Provided further that, in the case of Central Co-operative Banks [or] the State Co-operative Bank, the Registrar may, by general or special order, authorise such Banks to invest fifty per cent of their reserve fund in their business.

(2) No society whose, reserve fund has been separately invested or deposited shall draw upon, pledge or otherwise employ such fund except with the sanction of the Registrar previously obtained in writing.

(3) In the case of a society constituted with the object of co-operative housing on a co-partnership basis, the reserve fund may be utilised for expenditure on the maintenance, repair, and renewal of buildings of society.

(4) In the case of a processing society the reserve fund may be utilised in the acquisition, purchase or construction of lands, buildings [and development of lands, buildings and machinery as decided in the general body meeting with prior approval of the Registrar.]

[(5) Where no bank is eligible as prescribed under sub-clause (a) of section 70, the society may invest its funds in a mode permitted by the State Government or the Registrar as authorised by the State Government in this behalf.]

55. Investment of other funds. - (1) A society may invest any of its funds (other than the reserve fund) in any of the modes specified in Section 70 when such funds are not utilised for the business of the society.

Explanation. - For the purpose of this sub-rule, "business of society" shall include any investment made by the society in immovable property with the prior sanction of the Registrar in the process of recovery of the society's normal dues or for the purpose of construction of building or buildings for its own use.

(2) The Registrar may, in the case of any society or class of societies, specify by a special or general order the maximum amounts to be invested in any class or classes of securities.

(3) Every society which has invested an amount not less than 10 per cent of its working capital in securities shall be required to constitute an investment fluctuation fund. The Registrar may direct that a specified per cent of the net profits every year shall be credited to the investment fluctuation fund until, in his opinion, the amount of the funds is adequate to cover anticipated losses arising out of the disposal of securities.

[(4) Proportion of paid-up share capital of the investing society or a class of society, shall be determined by the Registrar by special or general order, from time to time, for investment in the shares or security bonds or debentures issued by any other society. While determining such proportion, the Registrar may impose such conditions as he may deem fit.

(5) When any society or societies have been permitted to enter into collaboration as provided under sub-section (1) of Section 20A, if it is necessary to invest the funds of the society or societies in

such collaboration, the Registrar may, in addition to any general or special order of the State Government as specified in [clause (d)] of Section 70, impose such additional conditions as may be necessary in the interest of the society :

Provided that, the Registrar may for ensuring the safety of the funds of the society or societies invested in such collaboration for beneficial utilisation of the funds in furtherance of the objects may be regulated to the extent and manner of such investment from time to time.]

[(6) Where no bank is eligible as prescribed under sub-clause (a) of section 70, the society may invest its funds in a mode permitted by the State Government or the Registrar as authorised by the State Government in this behalf.]

56. Maintenance and administration of provident fund. - A society which has established a provident fund for its employees under Section 71 shall, with the previous approval of the [general body meeting], frame regulations for the maintenance and utilisation of the provident fund for its employees [subject to the provision of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.] Among other matters, such regulations shall provide for the following-

- (i) amount (not exceeding ten per cent of the employees salary) of contribution to be deducted from the employees' salary;
- (ii) the rate of contribution (not exceeding the annual contribution made by the employee) to be made by the society;
- (iii) advances which may be made against the security of the provident fund;
- (iv) refund of employees' contribution and contribution made by the society;
- (v) mode of investment of the provident fund and payment of interest thereon.

[CHAPTER VA]

Election to Notified Societies, Etc.

[56A to 56Z. ***.]

[56A1 to 56A35. ***.]

CHAPTER VI

Management of Societies

57. Prohibition against being interested in contracts etc. - (1) No officer of a society shall have any interest, directly or indirectly otherwise than as such Officer;-

- (a) in any contract made with or by the society; or
- (b) in any property sold or purchased by the society; or
- (c) in any other transaction of the society, except as investment made or as loan taken from the society or the provision of residential accommodation by the society to any paid employee of the society.

(2) No officer of the society shall purchase, directly or indirectly, any property of a member of the society sold for the recovery of his dues to the society.

[57A. Motion of no-confidence against the officers of the society. - (i) The requisition to call the special meeting of the committee of a society to consider a motion of no-confidence against the

President, Vice-President, Chairman, Vice-Chairman, Secretary, Treasurer or other officer of the society, by whatever designation called, who holds office by virtue of his elections to that office, shall be made in Form M-18. The requisition shall be accompanied by;-

- (a) the grounds of no-confidence;
- (b) the text of the motion of no-confidence to be moved;
- (c) the name of the committee members who shall move the motion of non-confidence;
- (d) a list of members of the committee specifying their full names, and address who are, for the time being, entitled to sit and vote at any meeting of the committee;
- (e) signatures of the members of the committee who are signing the requisition duly attested by the Chief Executive Officer of the society or Special Executive Magistrate or Executive Magistrate or any Gazetted Officer of the Government.

(2) The requisition referred to in sub-rule (1) shall be delivered in person to the Registrar. Such requisition or requisitions shall be delivered in duplicate in each case. The Registrar on ascertaining that the requisition or requisitions as the case may be, have been signed by not less than 1/3rd members of the committee who for the time being are entitled to sit and vote in any meeting of the committee of society;-

- (a) receive and acknowledge the requisition under his signature with date and time.
- (b) issue notice, within 7 days from the date of receipt of the. requisition, convening, the special meeting for that purpose specifying therein place, date, time, name and designation of the officer who shall be presiding over such meeting, to all the members of the committee, the presiding officer and the Managing Director, General Manager, Manager, Paid Secretary, Group Secretary or such employee of the society, to whom the Registrar has directed to produce minute book of committee meetings of the society. This notice of no-confidence shall also be issued, to the Officer or officers against whom the motion of no-confidence is being moved, and shall be accompanied by the copy of the requisition alongwith enclosures and agenda.
- (c) The Registrar shall direct the Managing Director, General Manager, Manager, Paid Secretary, Group Secretary or any other employee to deliver in person the minute book Of the committee meetings on the date, time and place of the meeting, to the Presiding Officer.
- (d) The Registrar shall send a notice [by registered post acknowledgement due, speed post, courier or hand delivery, as he may deem fit], to all the persons concerned. However, he shall serve or cause to be served the notice on the officer or officers against whom the motion of no-confidence is proposed to be moved through the special messenger or the officer or officers, as the case may be, or in his or their absence on any adult member of his or their families at the place of [his ordinary residence or address as provided by him in the office record of the society.]. If for some reason it is not possible to serve the notice, the authorised person in this behalf, shall in presence of two witnesses, affix such notice on any

conspicuous [place of his] [his ordinary residence or address as provided by him in the office record of the society.].

(e) copies of this notice shall be displayed on the Notice Board of the Registrar, the Presiding Officer and the society. Such display of the notice on the notice board of the Registrar and the Presiding Officer shall be the conclusive proof that such notice has been served on all concerned.

(3) Notwithstanding anything contained in the bye-laws of the society regarding the procedure for convening and holding meeting and recording of minutes, the procedure adopted by the Registrar, [the Presiding Officer or] the Authorised Officer under sub-rule (2), shall be deemed to be the proper procedure under the provisions of bye-laws of the society.

(4) If the Registrar deems it necessary, he shall require any Officer of the society to furnish any information to him and it shall be obligatory on the part of such officer to furnish such information. On failure of the officer to furnish the information, the Registrar may get it through any person authorising in that behalf. This failure on part of the officer of the society shall be construed as non-compliance of provisions as contemplated under sub-section (1) of Section 79. However, in case of the officer of the society who holds that office by virtue of his election, including the member of the committee of management, it shall be construed as breach of provisions under sub-section (1) of Section 79 and negligence of performance of duties imposed by the Registrar as contemplated under [sub-section (1) of section 78 or sub-section (1) of 78A as the case may be.].

(5) The time of the meeting shall be between Office hours of the authorised officer. The meeting shall be held either in the office of the society or at any other place which may, as far as possible, be public place or any other place specified by the District Deputy Registrar.

(6) No other subject, except the motion or motions of no-confidence shall be kept on the agenda.

(7) The Registrar or the officer authorised to preside over the meeting shall,

(a) announce or cause to be announced the commencement of the meeting,

(b) take possession of the minute book of the committee meetings from the officer of the society. However, for some reasons, if it is not possible for him to take possession of the minute book of the committee meetings of the society, at the commencement of the meeting, he shall record proceedings in the register kept for that purpose in his office. The text of the minutes of the meeting recorded in the minute book kept in the office of the Registrar shall be incorporated in the minute book of the society.

(c) record the date, time, place, names of members of the committee present at the commencement of the meeting, in the minute book of the society or kept by him, as the case may be, in his own hand and cause all the members of the committee who are present, to sign it and it shall be obligatory on their part to do so. The signature of the members on the minute book shall be the concrete proof of their attendance.

(d) not allow any other person to enter the place of meeting except the person or persons appointed to assist him, the officer of the society who has produced the minute book, the officer or officers against whom the motion of no-confidence is moved, the members of the committee who are for the time being entitled to sit and vote in any meeting of the

committee, who are present at the commencement of the meeting and police officer or officers if called by him to maintain the law and order.

- (e) record or cause to be recorded, the proceedings of the meeting and thereafter allow those members who desire to sign the proceedings. Signature of the members on the minute book shall be the conclusive proof of their attendance.
- (f) not allow the discussions on any other subject than the subject on agenda.
- (g) declare the motion or motions as rejected and take a note to that effect with reasons, in the minute book under the following circumstances;-
 - (i) if no member of the committee present;
 - (ii) none of the members of the committee, who are present refuse to sign the requisition;
 - (iii) 2/3rd members are not present at the commencement of the meeting [and if] 2/3rd is fraction, it shall be rounded to next higher number.
- (h) (i) read or cause to be read the text and grounds of no-confidence motion and allow any of the member, who have signed the requisition to move the motion and to speak in support of the motion.
 - (ii) allow the member against whom no-confidence motion is moved or any other member on his behalf to defend.
- (i) put the motion to vote and declare the results as laid down in sub-section (6) of Section 73ID.
- (j) the Presiding Officer shall not speak or give any decision on the merit or otherwise of no-confidence motion.
- (k) issue certificate in Form M-19 in favour of the society.]

[58. Disqualification of committee and its members. - When on communication by the Chief Executive Officer of society or otherwise, the Registrar comes to know that any member of the committee incurs disqualification as mentioned in section 73 CA and the Bye-laws, the Registrar shall, after giving an opportunity of being heard, issue an order of cessation of membership of such member from the committee of the society:

Provided that, the Registrar shall decide the matter within sixty days from the date of such communication or otherwise.]

[58A. ****.]

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

(2) At the first [general body meeting], the following business shall be transacted;-

- (i) Election of a president for the meeting;
- (ii) Admission of new members;

- (iii) receiving a statement of accounts and reporting all transactions entered into by the promoter upto 14 days before the meeting.
- (iv) Constitution of a provisional committee until regular elections are held under the bye-laws. The provisional committee shall have the same powers and functions as the committee elected in accordance with the bye-laws [and under the provisions of the Act;]
- (v) Fixing the limit up to which the funds may be borrowed;
- (vi) Any other matter which has been specifically mentioned in the bye-laws [and under the provisions of the Act.]

[59A2. * * * * *]

[59B2. * * * * *]

60. General meetings. - (1) All general meetings of a society excepting the first general meeting shall be convened [within the period as specified in sub-section (1) of section 75] by the Secretary or any other officer authorised by and under the bye-laws to convene such meetings under intimation to the Registrar, who may attend such meetings or authorise some person to attend such meetings on his behalf. The President of the Society or in his absence the Vice-President or, in the absence of both, a [an active member elected by the active] members present at the meeting shall preside over the meeting unless the bye-laws specify that the President of the meeting elected by the meeting.

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

(3) The Secretary or any other officer convening the meeting shall read out the notice convening the meeting and the agenda for the meeting [which shall be in accordance with the provisions of sub-sections (2), (2A) and (4) of section 75 of the Act, as specified in Form "X"] and then the subjects shall be taken up for consideration in the order in which they are mentioned, in the agenda unless the members present, with the permission of the President, agree to change the order. Unless otherwise specified in the Act, these rules and the bye-laws, the resolutions will be passed by a majority of the [active members present. The President of the meeting shall have a power of] casting vote.

(4) [When the active members] are divided on any resolution, any member may demand a poll. When a poll is demanded, the President shall put the resolution for vote.

(5) Voting may be by show of hands or by ballot as may be decided by the [President of the meeting, unless otherwise specified in the bye-laws.]

(6) When voting is to be by ballot, the President shall take necessary steps for the issue of ballot papers and counting of votes.

(7) The result of voting shall be announced by the President.

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

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

(10) If the general meeting cannot be held for want of quorum, it shall be adjourned to a later hour on the same day as may have been specified in the notice calling the meeting or to a subsequent

date not earlier than seven days and at such adjourned meeting the business on the agenda of the original meeting shall be transacted whether there is a quorum or not.

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

61. Annual statements of accounts including balance sheet, etc. - Within forty-five days of the close of every co-operative year, [***] the committee of every society shall prepare annual statements of accounts showing;-

- (i) receipts and disbursements during the previous co-operative year;
- (ii) the profit and loss account for the year; and
- (iii) the balance sheet as at the close of the year.

These statements of accounts shall be open to inspection by any member during office hours at the office of the society and a copy thereof shall be submitted, within fifteen days from the date of preparation, to the auditor appointed [by the society or] by the Registrar for the audit of that society.

62. Form for the balance sheet and the profit and loss account. - (1) The balance sheet and the profit and loss account to be laid before the [annual general body meeting] of a society by the committee shall ordinarily be in Form N :

Provided that it shall be competent for the Registrar to permit a society or class of societies to adopt such other form as he may deem fit.

(2) A copy of the balance sheet and profit and loss account [and a copy of the report of the committee under sub-section (4) of section 75 shall be displayed] on the notice board of the society at least fourteen days before the date fixed for the annual general meeting.

63. Power to call annual and special general meeting. - If the annual general meeting of a society is not called in accordance with the provisions of Section 75 or if the Chairman or a majority of the committee of the society fail to call a special general meeting in accordance with the provisions of Section 76, the Registrar may authorise any person subordinate to him or any officer or employee of a federal society to call the annual general meeting or the special general meeting, as the case may be, and such officer or person shall have all the powers and functions of the officer of the society authorised to convene such annual or special general meeting, under its bye-laws.

[63A. Procedure for suspension of committee. - (1) Notwithstanding anything contained in the bye-laws of a society but subject to the provisions of section 78, the Registrar may by an order stating the reasons there for,-

- (a) suspend the committee of a society and appoint an Administrator or committee of Administrators consisting of three or more active members of the society to take remedial measures within the period specified in the order or;
- (b) suspend the committee and appoint one or more Administrators, who need not be the members of the society to take remedial measures within the period specified in the order :

Provided that, no person shall be eligible to be appointed as administrator or member of the committee of administrator, who has incurred disqualification under the provisions of the Act, the Rules and bye-laws of the society.

Provided further that, the Administrator or Committee of Administrators shall not hold office for more than six months from the date of assuming charge.

(2) Before making an order under sub-rule (1), the Registrar shall consult the Federal society and give an opportunity to the committee to show cause by serving the notice by registered post acknowledgement due or by speed post or by hand delivery, within fifteen days from the date of receipt of notice, as to why such an order shall not be made :

Provided that, if the Federal society fails to communicate its opinion to the Registrar within forty - five days from the date of receipt of communication, the Registrar shall be at liberty to proceed further to take action accordingly.

Provided further that, if resignation is tendered by the committee or a member of the committee, the decision shall be made by the Registrar within the time specified under sub-section (3) of the section 78 of the Act.

(3) Immediately after the appointment of an Administrator or Administrators under sub-rule (1), the committee in whose place such appointment is made and officers of the society shall give the Administrator or Administrators, as the case may be, charge of the property, books of accounts and documents of the society.

(4) Administrator or Administrators if required, shall call special general body meeting of the society to review or reconsider the decisions or the resolutions taken or passed at general body meeting called by the previous committee or to endorse the action taken by it and shall submit report of remedial measures taken within time to the Registrar as specified by the Registrar in the order under sub-rule (1) and if the Registrar is satisfied that the charges mentioned in the notice are made good or remedied, he shall, by order, revoke the order of suspension and direct the Administrator or Administrators to hand over the management to the suspended committee with immediate effect.]

64. Procedure for appointment, suspension, and removal of members of the committee and other officers, etc. - (1) Notwithstanding anything contained in the bye-laws of a society but subject to the provisions of [section 78A], the Registrar may [by an order stating the reasons therefor;-]

- (a) remove the committee of a society and appoint a new committee in its place consisting of three or more members of the society to manage the affairs of the society; or
- (b) remove the committee and appoint one or more administrators, who need not be members of the society, to manage the affairs of the society; or
- (c) remove any member of the committee of a society and appoint in his place such other member as he may deem fit.

[Provided that, no person shall be eligible to be appointed as administrator or member of the committee of administrator, who has incurred disqualification under the provisions of the Act, the Rules and bye-laws of the society :

Provided further that, authorised officers or committee of members appointed under sub-section (1) of section 77 A, shall make necessary arrangements for constituting new committee before expiry of their period.

Provided also that, the period of Administrator or Committee of Administrators shall not be more than six months from the date of assuming charge :

Provided also that, no member of the committee so removed shall be eligible to be re-elected, re-co-opted or re-nominated as a member of any committee of any society till the expiry of period of next one term of the committee from the date on which he has been so superseded or removed.]

(2) Before making any order under sub-rule (1), the Registrar shall consult the federal society to which the society is affiliated and give an opportunity to the committee or the member concerned to show cause, within fifteen days from the date of issue of notice, why such an order shall not be made.

[Provided further that, if the Federal Society fails to communicate its opinion to the Registrar within forty - five days from the date of receipt of communication, the Registrar shall be at liberty to proceed further to take action accordingly.]

[(3) The Administrator or Administrators shall make arrangement for conduct of elections of the committee before expiry of the period specified in the order under sub-rule (1).]

[(4) Administrator or Administrators if required, shall call special general body meeting of the society to review or reconsider the decisions or the resolutions taken or passed at general body meeting called by the previous committee or to endorse the action taken by it.]

(5) Immediately after the appointment of a [***] an administrator or administrators under sub-rule (1), the committee in whose place such appointment is made and officers of the society shall give [***] the administrator or administrators, as the case may be, the of the property, documents and accounts of the society .

65. Accounts and books to be kept. - [(1)] Every society shall keep the following accounts and books, [registers, documents, lists, forms, returns, in such form including electronic or any other form, namely:-]

(1) A register of members including persons nominated under Section 38 in Form T.

[(1-a) A list of active members in Form J-1;

(1-b) A list of non-active members in Form J-2;]

(2) A register of shares.

(3) A register of debentures and bonds (where capital is raised by debentures and bonds).

(4) Minute book recording proceedings of general meetings.

[(4-a) Record of attendance of general body meetings ;]

(5) Minute book recording proceedings of committee meetings [and sub-committee meetings if any ;]

(6) Cash book.

[(6-a) Day book ;

(6-b) Bank book;]

(7) General ledger and personal ledger.

(8) Stock register.

(9) Property register, [in Form "X-1";]

[(9-a) Register of auditors appointed and their written consent ;]

(10) Register of audit objections and their rectification.

[(10-a) Returns of the Society, in Form " Y "; and]

(11) Such other accounts and books as from time to time be specified by the State Government by special-or general order for any society or class of societies.

[(2) Where the State Government directs by order as provided under subsection (2A) of Section 81 that the cost audit of any society or class of societies shall be conducted, such society or class of societies shall, in addition to the accounts and books required to be kept under sub-rule (i), also maintain such books, records and accounts in such manner as the State Government may specify by general or special order from time to time for the purposes of cost audit.]

[66. Copies of monthly returns to be furnished to Registrar. - All Registered Co-operative Societies classified by the Registrar as Central Banks or as Urban Banks shall furnish to the Registrar every month a copy of each of the returns required to be furnished to the Reserve Bank of India under Sections 18, 24 and 27 of the Banking Regulation Act, 1949 (10 of 1949).]

67. Registrars power to enforce performance of obligations. - (1) In addition to the periodical financial statements referred to in Rule 66, [the society shall furnish to the Registrar] any other returns in such forms as may be specified by him, on such date or dates or at such interval or intervals as may be specified by him, in the order [and the returns specified in Form "Y" to the Registrar and in electronic form as specified by the Registrar within six months of the close of the financial year.] The salaried officers of the society shall be responsible for the submission of these returns on' due dates. If there are no salaried officers of the society or if the executive functions are attended to by the Chairman or any other member of the committee in an honorary capacity, the return shall be submitted by the Chairman or such member of the committee.

(2) On failure of the society to furnish any returns on due dates, the Registrar may, after giving due notice to the person or persons responsible for the submission of the same, depute an employee of the Co-operative Department or of the Federal Society to which the society is affiliated to prepare the return or returns and submit it or them to him. The members of the committee and other officers of the society shall furnish to the employee of the Co-operative Department or of the federal society entrusted with the work, all information necessary for preparing the return or returns. The expenses incurred by the Registrar in getting such return or returns prepared shall be borne by the society and shall be recovered from the society under Section 79 as if they were an arrear of land revenue.

[67A. Directions of Registrar to the society to make regulations on certain matters. - (1) Where, in the course of, or as a result of audit under Section 81, or enquiry under Section 83, or inspections under Section 84 or Section 89A or supervision under Section 89A or visit or administrative inspection of any officer of the Co-operative Department or financial institution, or on the report of federal society or financial institution, or in any other way, or suo moto or otherwise, the Registrar is of the opinion that it is necessary, having regard to financial condition of the society [before or after] grant of Government financial assistance of any kind directly or indirectly, including Government guarantee or any other financial interest of Government accrue or likely to be accrued to regulate the manner of carrying on trade or business, the Registrar, after making such further enquiry if he deems necessary and after consulting the committee or any officer of the society and after examining the record of the society, shall;-

(i) direct the society to make regulations on the items specified by him;

(ii) direct the society to make regulations in such manner as he specifies and forward the same to him within three months from the date of such issue of directions to him, for approval.

(2) The society shall frame the regulations on items specified by the Registrar and also in the manner specified by him, if he has so directed while forwarding regulations and forward the same personally along with copy of resolution within a period of three months from the date of issue of such directives.

(3) On receipt of regulations, the Registrar or the District Deputy Registrar on examination may issue an order approving them or modify, eliminate, delete or add as he deems fit in the interest of the society. The regulations shall be effective from the date of issue of order of approval by the Registrar and the society shall carry on its business in accordance with such regulations from the date of order of approval of such regulations.

(4) If any society fails to submit regulations to the Registrar on any or all the items forwarded by the Registrar or in the manner directed by him, the Registrar shall make the regulations on the items and in the manner if directed by him under sub-section (1) of Section 79AA and issue an order directing the society to carry on its business in accordance with such resolutions from the date of issue of such order. It shall be obligatory on the society to carry on its business and trade in accordance with the regulations so issued.

(5) If;-

(a) the Committee or any officer of the society fails to attend the consultation, to produce record furnishing the information, attend for satisfying the doubts of Registrar or to carry out any other act or to comply with any of the provisions of sub-rules (1), (2) and (3);

(b) after issue of order in sub-rules (3) and (4) of this rule, if the society is negligent in observance or fails to comply with the regulations, it shall be construed as non-compliance of direction issued by the Registrar under subsection (1) of Section 79, if it relates to clause (a) and non-compliance of directions issued by the Registrar under Section 79AA, if it relates to clause (b) and thereupon the provisions of Section 79 shall be applicable mutatis mutandis. If the committee or elected officer of the society is responsible for noncompliance of provisions of clauses (a) and (b) of this sub-rule, it shall, in addition to non-compliance of directives under sub-section (1) of Section 79 and Section 79AA, also be construed as negligence in performance of duties imposed on it or upon him by the Act and the rules made thereunder [***].]

68. Procedure to be adopted for taking possession of books, documents, securities, cash and other properties of society. - (1) Where taking possession of books, documents, securities, cash or other properties of a society is considered necessary and where taking of such possession is resisted or obstructed, the Registrar, the Liquidator or any other person entitled to the same may take or cause to be taken order for seizing the books, documents, securities, cash or other properties of the society, as the case may be, in the manner provided in Section 80.

(2) Any person appointed by the Registrar as a Liquidator [, administrator or authorized officer under section 88 of the Act] of a society or any person authorised by the Registrar to audit the accounts of a society under Section 81 or any person authorised by the Registrar to hold an inquiry into the constitution, working and financial conditions of a society under Section 83 or any person authorised by the Registrar to inspect the books of a society [under section 84 or section 89A] shall, in cases where the misappropriation of funds, breach of trust or fraud has been committed or where it is suspected or apprehended that the books, documents, securities, cash or other properties of a society are likely to be tampered with or destroyed or removed, and where taking of possession of

such books, documents, securities, cash or other properties is considered necessary, shall follow the same procedure, with the previous permission of the Registrar, as is laid down in Section 80 for the purposes of obtaining such possession.

CHAPTER VII

Audit, Inquiry, Inspection and Supervision

69. Procedure for appointment of auditors and for conducting audit. - [(1) (a) The audit of accounts of the societies shall be conducted by the auditor or auditing firm appointed by the society in its annual general body meeting within the period specified in the Act, from the panel of auditing firms or auditors whose names are listed as on the date of annual general body meeting and is approved by the State Government or authority authorized in this behalf.

Explanation. - For the purpose of this rule, Audit shall include annual, test, cost or performance, special and re-audit.

- (b) Audit of the society shall be completed within four months from the close of the financial year and the report, also in Compact Disc shall be submitted to the society and the Registrar as specified in sub-section (5B) of section 81 of the Act, and also Part A of audit report, audit certificate and audited financial statements shall be uploaded by auditor on official website of Co-operation Department :

Provided that, Apex Societies shall submit copies of audit report as specified by the Registrar to be laid before the State Legislature.

- (c) Every apex society shall submit to the Registrar, required copies of audit memorandum in both Marathi and English, in print and compact disk form within sixty days from receipt of audit memorandum from the auditor of the society for each financial year. The Registrar shall submit these copies of audit memorandum received from such society to the State Government to be laid before the State Legislature :

Provided that, if any apex society fails to submit required copies of audit memorandum as mentioned in clause (c) of this sub-rule in due time, the said society shall submit reasons thereof in writing to the Registrar. The Registrar shall submit reasons in writing received from the said society to the State Government to be laid before the State Legislature.

- (d) Before appointing the auditor or the auditing firm, the society shall ensure that, the auditor or the auditing firm proposed to be appointed for conducting its audit has not accepted the societies for audit exceeding the limit prescribed under the Act.
- (e) Qualifications and experience of the auditor shall be as specified in Explanation - I to sub-section (1) of section 81.
- (f) The Registrar shall prepare, declare and maintain the panel of auditors and auditing firms from time to time in the following manner,-
- (i) the Registrar shall call applications before the specified date as declared in the notice for empanelment from eligible auditors and auditing firms by a public notice to be displayed on the official website of the State Government and in any other mode, if

required. Such notice shall also be published on the notice board of the office of the Registrar and District Deputy Registrars.

- (ii) Every applicant shall submit only one application to the office of the concerned District Deputy Registrar of the District, where he ordinarily resides.

Applications received shall be scrutinized by the Committee presided over by the District Deputy Registrar consisting of the District Special Auditor of the District, representative of the Chartered Accountants of the District, representative of the Certified Auditors of the District as members and the Assistant Registrar (Administration) of the District shall function as Member Secretary of the said committee.

- (iv) After scrutiny, the District Deputy Registrar shall submit list of eligible applicants to the Registrar alongwith their applications and documents. The Registrar may scrutinize the applications recommended by the District Committee.

- (v) Any aggrieved applicant may approach to the Grievance Redressal Committee headed by the Divisional Joint Registrar, Divisional Joint Registrar (Audit), as member and Divisional Deputy Registrar of the Division shall function as Member Secretary of the said Committee and the decision of the Committee shall be final.

- (vi) The Registrar shall cause to display a approved list of auditors and auditing firms panel on the official website of the Government.

- (vii) the Registrar shall classify the societies and auditors for the purpose of audit in the following manner, namely :-

Classification of Auditors and Societies
[under section 81 and Rule 69 (1) (f) (vii)]

TABLE - A

Class	Discriptions of Auditors	Societies to be Audited
(1)	(2)	(3)
A	Chartered Accountant Firm Chartered Accountant having at least 5 years experience in audit of co-operative Societies.	(1) Maharashtra State Co-operative Bank *
	Joint Registrar (Audit) and Special Auditor Class-I who was completed probation period successfully.	(2) District Central Co-operative Bank

		(3) Urban Co-operative Banks having Deposits more than Rs. 25 Crores.
		(4) Salary Earners Co-op. Banks
		(5) Maharashtra State Co-operative Marketing Federation *
		(6) Maharashtra State Co-operative Cotton Grover's Federation.*
		(7) Maharashtra Rajya Dudh Sangh (Mahananda) *
		(8) Maharashtra State Co-operative Agriculture and Rural Multipurpose Development Bank
		(9) Maharashtra State Co-operative Housing Finance Corporation.
		(10) Maharashtra State Tribal Development Corporation
		(11) Maharashtra Rajya Sahakari Sangh and Divisional Co-operative Board.
		(12) Maharashtra State Co-operative Fisheries Federation
		(13) Maharashtra State Co-operative Consumer Federation
		(14) Maharashtra State Co-operative Spinning Mill Federation.
		(15) Maharashtra State Co-operative Power loom Federation
		(16) Maharashtra State Co-operative Textile Federation
		(17) Maharashtra State Co-operative Handloom Federation
		(18) Maharashtra State Co-operative Cotton Grovers Processing Societies.

		(19) Maharashtra State Co-operative Labour Societies Federation.
		(20) Maharashtra State Co-operative Bank Association
		(21) Maharashtra State Co-operative Credit Societies Federation.
		(22) Maharashtra State Co-operative Jungal Kamgar Federation.
		(23) Maharashtra State Co-operative Sugar Factories Federation.
		(24) Maharashtra State Co-operative Sugar Industries Development Societies.
		(25) Maharashtra State Co-op. Cadre Federation and District Coop Cadre Board.
		(26) Maharashtra State Co-op. Industrial Societies Federation.
		(27) Other National and State level Co-op. Federation not mentioning above.
		(28) Co-operative Spinning Mill/ Weaving Mills
		(29) Co-operative Sugar Factories
		(30) District Co-operative Milk Union
		(31) District Co-operative Agriculture and Rural Multipurpose Development Bank.
		(32) Any other society specified by Registrar from time to time.

*Note : Societies at Sr. Nos. 1, 5, 6 and 7 shall be audited only by Chartered Accountant Firm or a Chartered Accountant or Joint Registrar (Audit) categorized in 'A' Class. Auditors categorized in 'B' Class and 'C' Class are not eligible to audit societies categorized under Table - A. In case of Co-operative Bank, the Government Auditor may conduct re-audit, test-audit or special audit only.

TABLE - B

Class	Descriptions of Auditors	Societies to be Audited
(1)	(2)	(3)
B	Chartered Accountant having at least one year experience in audit of Co-operative Societies.	(1) Urban Co-operative Bank having deposits up to Rs. 25 Crores.
	Special Auditor Class - 2, Auditor Grade - I who was completed probation period successfully.	(2) Urban Co-operative Credit Society and Rural nonagricultural credit society having deposit 10 crores and above.
	Certified Auditor having at least 10 years experience in audit of Co-operative Societies	(3) Salary earners Co-operative Credit Society having working capital 10 crores and above.
		(4) Co-operative Starch Factories
		(5) Co-operative Industrial estates.
		(6) District Co-operative Labour Federation
		(7) Sales and Purchase Co-operative Unions (District and Taluka).
		(8) Housing societies having 100 and more members
		(9) Co-operative Jinning and Pressing Societies /Rice Mills and Oil Mills.
		(10) Primary Co-operative Dairy Societies having turnover above Rs. 50 lacs.

		(11) Primary Co-operative Poultry and piggery and livestock Societies having turnover above Rs. 25 lacs.
		(12) Primary Co-operative Fisheries Societies having turnover above Rs. 50 lacs.
		(13) District / Central Weavers Co-op. Societies.
		(14) District and Central Co-op. Consumers stores
		(15) Co-operative Hospital
		(16) Mula Pravara Electric Society and Other Elec. Societies.
		(17) District Co-operative Board
		(18) District Housing Federation
		(19) Other District Federal Societies not mentioned above
		(20) Any other society specified by Registrar from time to time. Special Auditor

* Note : Societies at Sr. Nos. 1 and 2 shall be audited only by a Chartered Accountant and Special Auditor Class- II Categorized in 'B' Class. Auditors categorized in 'A' Class above are also eligible to audit societies categorized under Table - B. Auditors categorized in 'C' Class are not eligible to audit societies categorized under Table - B.

TABLE - C

Class	Descriptions of Auditors	Societies to be Audited
(1)	(2)	(3)

C	Certified Auditor having at least 3 years experience in audit of Co-operative Societies.	(1) Primary Agricultural and Co-operative Credit Societies (PACs) and Primary Krushak and Adiwasi Seva / Grain Bank.
	Auditor Grade - 2 and Sub - Auditor who was completed probation period successfully.	(2) Urban Co-operative Credit Societies and Rural nonagricultural credit societies having deposits less than Rs. 10 crores.
		(3) Salary earners societies having working capital less than Rs.10 crores.
		(4) Primary Co-operative Dairy Societies having turnover less than Rs. 50 lacs.
		(5) Primary Co-operative Poultry, Piggery and Livestock Societies having turn over less than Rs. 25 lacs.
		(6) Primary Co-operative Fisheries Societies having turnover less than Rs. 50 lacs.
		(7) Sugarcane supply cooperative societies / Transport Coop. societies.
		(8) All Farming Co-operative Societies
		(9) Housing societies having less than 100 members
		(10) Lift irrigation societies
		(11) Labour contract societies
		(12) Forest Labour Co-operative Societies
		(13) All types of Primary Marketing Societies and Food Processing Societies.

		(14) Primary Weavers Co-op. Societies (Handloom and Power loom).
		(15) Primary Industrial Co-op. Societies.
		(16) BLVA societies
		(17) Primary consumers Co-operative Societies.
		(18) Social service societies and unemployed youth co-operative Societies.
		(19) Taluka supervisory unions.
		(20) Any other society specified by Registrar from time to time.

* Note : Auditors categorized in 'A' Class and `B' Class above are also eligible to audit societies categorized under Table - 'C'.

(g) The criteria for removal of the name of auditor and auditing firms from the panel shall be as follows, namely :-

- (i) non-submission of audit report as specified in sub-section (5B) of section 81, to the society and the Registrar within the period of one month from the date of completion and in any case before the issuance of notice of the general body meeting ;
- (ii) not-disclosure the true and correct picture of accounts as specified in clause (c) of sub-section (3) of section 81 ;
- (iii) after giving consent for audit by the auditor or auditing firm and after issuance of order of appointment of auditor or auditing firm, audit is not completed within stipulated period as specified in sub-section (1) of section 81 ;
- (iv) non-submission of specific report stating that, any person is guilty of any offence relating to the accounts or any other offences within a period of fifteen days from the date of submission of audit report to the society and the Registrar ;
- (v) failure to file special report to the Registrar if any ;
- (vi) failure to file the First Information Report, if required thereof;
- (vii) non-submission of scrutiny of audit rectification report within six months to the society ;
- (viii) if in the test audit or re-audit of the society it is found that, the auditor or auditing firm is responsible for any commissions and omissions ;

- (ix) if the auditor is borrower of the society and has conducted the audit of the same society without disclosing the said fact to the society ;
- (x) if the auditor or his family member is employee or ex-employee of the concerned Co-operative society ;
- (xi) if the auditor is an auditor or a partner of an auditing firm which is also conducting internal or concurrent audit of concerned Co-operative society ;
- (xii) if the auditor or his family member, as specified under explanation (I) of sub-section (2) of section 75 of the Act, is committee member of the concerned co-operative society ;
- (xiii) if the auditor has conducted audit, without appointment order issued by the society with the prior approval of general body or the Registrar, if any, as the case may be ;
- (xiv) if the auditor is family member of an employee of the department of co-operation:]

[(2) ***]

[(3) The auditor shall submit in respect of Co-operative Banks in Form N-1 and in other cases in Form N-2 an audit memorandum to the society and to the Registrar with regards to the accounts, balance sheet and profit and loss accounts or statement of income and expenditure examined by him as on the date and for the period up to which the accounts have been audited, and shall state whether in his opinion and to the best of his information, and according to the explanation given to him, accounting policies adopted by the society as per accounting standards laid down by the State Government or the Institute of Chartered Accountants of India as the case may be, the said accounts give all the information required by the Act in the manner so required and give true and fair view,-

- (i) in the case of the balance sheet, the state of society's affairs as at the end of the financial year or any other subsequent date up to which the accounts are made up and examined by him, and
- (ii) in the case of the profit and loss account of the profit or loss for the financial year or the period covered by the audit, as the case may be. While certifying the profit or loss of the society, Auditor shall quantify the effect of shortfall in various provisions, like Non Performing Assets, overdue interest, depreciation and any other provisions relating to expenses over profit or loss and state clearly that, after considering effect of all provisions, whether there is profit or loss to the society.]

(4) The audit memorandum shall state:-

- (i) whether the auditor had obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;
- (ii) whether in his opinion proper books of accounts, as required by the Act, these rules and the bye-laws of the society have been kept by the society so far as it appears from the examination of these books; and

(iii) whether the balance sheet and profit and loss account examined by him are in agreement with the books of accounts and returns of the society [and give true and fair view of state of affairs.]

[iv) whether the accounting standards adopted by the society are consistent with, those laid down by the State Government or the Institute of Chartered Accountants of India, as the case may be, and has no adverse effect on the accounts and financial status of the society.]

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

(6) The audit memorandum shall also contain schedules with full particulars of;-

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

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

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

(iv) any money or property belonging to the society which appear to the auditor to be bad or doubtful debt; and

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

(7) The summary of audit memorandum as prepared by auditor shall be read out in a general meeting. The audit memorandum together with its accompaniments shall be open to inspection by any member of the society. The Registrar may however direct that any portion of the audit memorandum which appears to him to be of objectionable nature or not justified by facts shall be expunged and the portion so expunged shall not form part of the audit memorandum.

(8) The Registrar may from time to time specify the form or forms in which the statements of accounts and information shall be prepared for audit by the society.

(9) On completion of his statutory audit, the auditor shall award an audit classification letter to the society whose accounts he has audited in accordance with the instructions issued by the Registrar from time to time. The list of societies to be published under sub-section (3) of Section 12 shall also specify the audit class of the society.

70. Requisition of the federal society for inquiry. - Any federal society duly authorised by a resolution of its committee, may submit a requisition to the Registrar to hold an inquiry under Section 83 in respect of any society affiliated to it, duly setting out the grounds on which the inquiry is sought. A copy of such requisition shall be supplied to the society in respect of which the requisition is made.

71. Procedure and principles for the conduct of inquiry and inspection. - (1) An order authorising inquiry under Section 83 or inspection under Section 84 shall, among other things, contain the following;-

(a) the name of the person authorised to conduct the inquiry or inspection;

(b) the name of the society whose affairs are to be inquired into or whose books are to be inspected;

(c) the specific point or points on which the inquiry or inspection is to be made, the period within which the inquiry, or inspection is to be completed and report submitted to the Registrar;

(d) cost of inquiry;

(e) any other matter relating to the inquiry or inspection.

(2) A copy of every order authorising inquiry under Section 83 or inspection under Section 84 shall be supplied to the federal society or societies to which the society in respect of which the order is issued is affiliated.

(3) If the inquiry or inspection cannot be completed within the time specified in the order referred to in sub-rule (1), the person conducting the inquiry or inspection shall submit an interim report stating the reasons for failure to complete the inquiry or inspection and the Registrar, if he is satisfied, grant such extension of time [not exceeding time limit as specified in clause (c) of sub-section (3) of section 83] for the completion of the inquiry or inspection as he may deem necessary or he may withdraw the inquiry or inspection from the officer to whom it is entrusted and hold the inquiry or inspection himself or entrust it to such other person as he deems fit.

(4) On receipt of the order referred to in sub-rule (1), the person authorised to conduct the inquiry or inspection shall proceed to examine the relevant books of accounts and other documents in possession of the society or any of its officers, members, agents or servants and obtain such information or explanation from any such officers, members, agents or servants of the society in regard to the transactions and working of the society as he deems necessary for the conduct of such inquiry or inspection.

(5) The person authorised to conduct the inquiry or inspection shall submit his report to the Registrar, on all the points mentioned in the order referred to in sub-rule (1). The report shall contain his findings and the reasons therefor supported by such documentary or other evidence as recorded by him during the course of his inquiry or inspection. He shall also specify in his report the costs of the inquiry or inspection together with reasons and recommend to the Registrar the manner in which the entire cost or a part thereof may be apportioned, amongst the parties specified in sub-section (1) of Section 85. The Registrar shall pass such orders thereon as may be considered just after giving a reasonable opportunity of being heard to the person or persons concerned.

(6) The costs of the inquiry or inspection apportioned by the Registrar under subsection (1) of Section 85 shall be recovered as provided in Section 86. The Registrar may direct that such costs or any part thereof shall be paid in the first instance from the funds of the society or in case of inspection, from the amount deposited by the creditor under clause (b) of sub-section (1) of Section 84 and then recovered and repaid to the society or the creditor, as the case may be.

72. Procedure for assessing damages against delinquent promoters, etc. under Section 88. - (1) On receipt of a report referred to in Section 88 or otherwise, the Registrar or any other person authorised by him may make such further inquiries as he may deem necessary regarding the extent to which the person who has taken any part in the organisation or management of a society or any deceased, past or present officer of the society has misapplied or retained, or become liable or accountable for, any money or property of the society, or has committed misfeasance or breach of trust in relation to the society. [In case of deceased person, the society shall furnish information regarding his representative who inherits his estate.]

(2) On the completion of the further inquiries under sub-rule (1), where necessary, the Registrar or the person authorised by him shall issue a notice to the person or persons concerned furnishing

him or them with particulars of the acts of misapplication, retention, misfeasance or breach of trust and the extent of his or their liability involved therein and calling upon him or them to put in statement in his or their defence within fifteen days of the date of issue of the notice.

(3) On receipt of the statements referred to in sub-rule (2), the Registrar or the person authorised by him, if he is satisfied that there are reasonable grounds for holding the person or persons liable, shall frame charges.

(4) The person or persons concerned shall, after the charges are framed be asked to put in his statement in defence and to indicate the documentary or oral evidence which he would like to produce. The Registrar or the person authorised by him may permit production of other documentary or oral evidence, if considered necessary subsequently.

(5) The Registrar or the person authorised by him shall thereafter record the evidence led by the society or the person or persons concerned and take on record the documents proved by them and shall thereafter fix a date for hearing arguments of both the parties.

(6) On the day fixed for hearing under sub-rule (5), the Registrar or the person authorised by him, shall hear the arguments and may pass his final orders on the same day or any date fixed by him within sixty days from the date on which the hearing was completed. On the date so fixed, [the Registrar or, as the case may be, the person authorised by him shall make his final order] either ordering repayment of the money or return of the property to the society together with interest at such rate as may be specified by him or to contribute such amount to the assets of the society by way of compensation in regard to misapplication, retention, misfeasance or breach of trust as may be determined or may reject the claim submitted on behalf of the society.

(7) The Registrar or the person authorised by him, may also provide in his order for the payment of the cost of the proceeding under this rule or any part of such cost as he thinks just.

(8) The Registrar or the person authorised by him shall furnish a copy of his order, under sub-rule (6) to the party concerned within ten days of the date on which he makes his final order.

73. Form of Rectification Report. - On receipt of an order, directing a society or its officers to rectify the defects and remedy the irregularities, issued by the Registrar under Section 82 and on receipt of an order issued by the Registrar under Section 87, the society shall, subject to the provisions of sub-sections (2) and (3) of Section 87, submit to the Registrar [and the auditor concerned] a rectification report in Form O. The society shall continue to submit such rectification reports to the Registrar [and the auditor concerned] till all the defects are rectified or the irregularities are remedied to the satisfaction of the Registrar.

[74. Remuneration of the auditor. - (1) Remuneration of the auditor or auditing firm who has conducted audit of a society shall be borne by the society and shall be at such rates as may be notified by the State Government from time to time depending upon the class of societies and their financial parameters.

(2) When auditor or auditing firm is appointed by the Registrar on his own, remuneration of auditor or auditing firm shall be at rates as per sub-rule (1) above.

(3) If the Registrar, orders re-audit of a society after recording reasons thereof, shall specify remuneration payable to such auditors as per sub-rule (1) above.

(4) When re-audit is requisitioned by society or any member of society, the remuneration of auditor or auditing firm shall be as per sub-rule (1) above :

Provided that, when such re-audit is requisitioned by the society or any member of the society, the remuneration of auditor or auditing firm shall be deposited by such society or member, as the case may be, with the Registrar prior to commencement of such audit :

Provided further that, if it is found in the re-audit, that the appointed auditor has not conducted audit as per the auditing standards and norms as notified from time to time and if it is proved that he is negligent in performing audit of the society and he has not detected fraud, mis-utilisation of funds, inadequate provisioning, resulting into loss or profit to the society, then audit fees shall be recoverable as per sub-section (1) of section 156 of the Act, from the said auditor who had conducted the audit and same shall be refundable, to the society and remuneration of re-audit shall be refundable to the society or any member demanding re-audit. The said auditor shall also be subject to action under sub clause (viii) of clause (g) of sub - rule (1) of rule 69 :

Provided also that, nothing in the preceding proviso shall apply to the Government Auditors.

(5) When cost or performance audit of any society is ordered by the State Government as per the provision of sub-section (2A) of section 81, the remuneration of auditor or auditing firm shall be notified by the State Government and the amount shall be deposited by the society with the Registrar prior to the commencement of such audit by him.

(6) For the audit of the society which is under liquidation or the society on which official assignee is appointed, under the provisions of the Act, the remuneration of auditor or auditing firm to conduct audit of such society shall be specified by the Registrar.]

CHAPTER VIII

[Disputes and Co-operative Courts]

[75 and 76. ***.]

[77. Disposal of a dispute by Co-operative Court. - The Co-operative Court shall not take up for consideration any dispute, unless the parties concerned comply with the conditions of payment of the necessary Court fees for determining the dispute.]

[77A. Qualifications of Judges of Co-operative Courts, and their appointment. - (1) The member constituting a Co-operative Court shall be called the Judge of that Court.

(2) All appointments of Judges of the Co-operative Courts shall be made by the State Government.

(3) No person shall ordinarily be eligible for appointment as a Judge of a Cooperative Court, unless he is holding or has held a judicial office not lower in rank than that of Civil Judge (Junior Division).

(4) Notwithstanding anything contained in sub-rule (3), the State Government may appoint a person to be a Judge of a Co-operative Court;-

(a) who has practised as an Advocate, Pleader or Vakil for not less than three years; or

(b) who is enrolled as an Advocate or holds a degree or other qualification in law of any University established by law or of any other authority which entitles him to be enrolled as an Advocate, and either (i) has held office not lower in rank than that of Deputy Registrar of Co-operative Societies for [not less than three years,] or (ii) [* * * *] possesses good knowledge and experience of co-operative law and practice.

The number of Judges appointed under this sub-rule shall, at no time, as far as possible, exceed two-third of the total number of Judges of the Co-operative Courts.

77B. Age limit for Judges. - (1) No person shall hold or continue to hold the office of Judge of Co-operative Court after he attains the age of sixty-two years.

(2) Notwithstanding anything contained in sub-rule (1), the State Government may, for such period or periods as it considers necessary, continue all or any of the Officers on Special Duty as Judges

of the Co-operative Courts, who were holding office as such officers immediately before this rule comes into force and who are otherwise qualified to be Judges of the Co-operative Courts.

77C. Conditions of service of Judges. - If a Judge of a Co-operative Court is in Government service at the time of his appointment, his pay, allowances and other conditions of service shall continue to be governed by the service conditions rules applicable to him before such appointment, and if he is a direct recruit his pay, allowances and other conditions of service shall be governed by the [Maharashtra] Civil Services Rules and other rules made by the State Government from time to time.

77D. Holidays and Vacations. - Save as otherwise directed by the State Government, the holidays to be observed in the Co-operative Courts shall be the same as are observed in the local Government offices. The period of vacation (if any) for the Co-operative Courts shall be such as the State Government may determine.

77E. Procedure for hearing and decision of disputes. - (1) The [***] Co-operative Court shall record in English, Marathi or Hindi the evidence of the parties to a dispute and the witnesses who attend. Upon the evidence so recorded and upon consideration of any documentary evidence produced by the parties, a decision shall be given, by [***] it in writing. Such decision shall be pronounced in open Court, either at once or as soon as may be practicable on some future day, of which due notice shall be given to the parties.

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

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

(4) Where the disputant appears and the opponent does not appear when the dispute is called on for hearing, then, if the Registrar or the Court is satisfied from the record and proceedings that the summons was duly served, the [***] Court may proceed ex-parte. Where the summons is served by the officer of the [***] Court, he shall make his report of service on oath.

(5) The [***] Court may not ordinarily grant more than two adjournments to each party to the dispute at its request. The [***] Court may, however, at his or its discretion grant such further adjournments on payment of such costs to the other side and such fees to the [***] Court as the Registrar or the Court, as the case may be, may direct.

(6) Any party to a dispute may apply for and obtain a certified copy of any order, judgement or award made by the [***] Court on payment of copying fees at the rate of [upto A4 size paper per page Rs.2, larger than A4 size paper per page Rs.3] in such order, judgement or award, whether in English, Marathi or Hindi.

77F. Summary procedure for deciding disputes. - (1) Subject to the provisions of sub-section (4) of Section 94, the following disputes, if the disputant so desires, shall be decided in the summary manner prescribed under this rule, namely :-

- (a) any dispute for recovery of debt upon promissory note, hundi, bill of exchange or bond, with interest where agreed upon under such instrument or under the bye-laws;
- (b) any dispute for recovery of a fixed sum of money, in the nature of a debt, with or without interest, arising on a written contract, but other than penalty or on guarantee;

(c) any dispute for recovery of price of goods sold and delivered, where the rate, quality and quantity are admitted in writing;

[(d) ***.]

(2) In such cases, the disputants shall, in addition to the normal averments in Form P, make the following averments, namely :-

(a) that the claim of the disputant is for recovery of liquidated sum of money only and no other relief beyond the scope of this rule is claimed in this dispute;

(b) that the disputant believes that there is no valid or bona fide defence to his claim.

(3) In such cases, the opponent shall not be entitled to defend the claim, and the disputant shall be entitled to the award in his favour as prayed and for such sum for costs as may be awarded by the [***]

Court.

(4) (i) Within ten days from the service of a notice calling upon the opponent to obtain leave from the [***]

Court, to appear and defend the claim, the opponent or such of the opponents as are interested in defending the claim shall apply to the [***]

Court, as the case may be, by an affidavit or a declaration for the leave, setting out the facts on which he relies and what triable issues are likely to arise. The opponent shall in such application disclose all the documents supporting his contention and as far as possible attach copies of such documents which he considers important from his point of view. A copy of such application shall be served on the disputant and he shall have a right to file a rejoinder in the form of an affidavit or declaration and place before the deciding authority such material as in his opinion supports his contentions.

(ii) The [***]

Court, on reading the affidavits and declarations and on hearing the parties and their pleading and considering the documents relied on and produced by them, may pass an award or grant leave to defend to such of the opponents, unconditionally or upon such conditions, as the deciding authority may think fit under the circumstances and on facts of the case. The Registrar or the Court granting leave to defend shall also give directions and prescribe time limit for filing the written statement and fix the date for hearing. Leave may be granted to some and may be refused to other opponents. If leave is granted and not complied with by any opponent, the deciding authority may pass an award against him, as if he had not been granted leave.

(iii) If the conditions on which leave to defend is granted are not complied with by any opponent, the [***]

Court may pass an award against him, as if he had not been granted leave.

(iv) The [***]

Court may, for sufficient case, excuse the delay in applying for leave to defend any case.

(v) The [***]

Court may, under special circumstances, set aside the award, and if necessary stay or set aside execution, and may give leave to the opponent to appear and defend the dispute, if it seems reasonable to the deciding authority so to do, and on such terms as it thinks fit.]

[77G. Procedure for transfer of disputes for mediation. - Where under the provision in clause (iv) of sub-section (3) of the section 93 the Co-operative Court has referred the dispute for mediation, the compromise may be effected between the parties to the dispute and in the matter the provisions of Civil Procedure Mediation Rules, 2006 shall apply.]

78. Summons, notices and fixing of dates, place, etc. in connection with the disputes. - (1) The [***] Co-operative Court may issue summons or notices at least fifteen days before the date fixed for hearing of the dispute requiring:-

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

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

(2) Summons or notices issued by [***] the Co-operative Court may be served through a Mamlatdar, Mahalkari, Tahsildar or any employee of the Co-operative Department or of a federal society or through the Chairman or Secretary of the Society or by registered post with acknowledgement due [speed post or courier.] Every person or society to whom summons or notices are sent for service shall be bound to serve them within a reasonable time.

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

(4) The officer issuing the summons or notice may examine the serving officer on oath or cause him to be so examined by the Mamlatdar or other officer through whom it is served and may make such further inquiry in the matter as he thinks fit; and shall either declare that the summons or, as the case may be, notice has been duly served or order it to be served in such manner as he thinks fit.

(5) The mode of serving summons and notices as laid down in sub-rules (1) to (4) shall mutatis mutandis apply to the service of summons or notices;-

(i) issued by the Registrar or the person authorised by him, when acting under Section 83, 84 or 88;

(ii) issued by an Auditor, when acting under Section 81, or

(iii) issued by a Liquidator, when acting under Section 105.

79. Investigation of claims and objections against any attachment. - Where any claim or objection has been preferred against the attachment of any property under Section 95, on the ground that such property is not liable to such attachment, the Registrar, [or, as the case may be, the Co-operative Court] shall investigate into the claim or objection and dispose it of on merits :

Provided that no such investigation shall be made when the Registrar [or the Co-operative Court] considers that the claim or objection is frivolous.

80. Procedure for the custody of property attached under Section 95. - (1) Where the property to be attached is moveable property, other than agricultural produce, in the possession of the debtor, the attachment shall be made by actual seizure and the attaching officer shall keep the property in his own custody or in the custody of One of his subordinates, or of a Receiver, if one is appointed under sub-rule (2) and shall be responsible for the due custody thereof :

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

(2) When it appears to the officer ordering conditional attachment under Section 95 to be just and convenient, he may appoint a Receiver for the custody of the moveable property attached under that section and his duties and liabilities shall be identical with those of a Receiver appointed under Order XL in the First Schedule to the Code of Civil Procedure, 1908.

(3) (i) Where the property to be attached is immovable, the attachment shall be made by an order prohibiting the debtor from transferring or charging the property in any way and all persons from taking any benefit from such transfer or charge.

(ii) The order shall be proclaimed at some place on, or adjacent to, such property by beat of drum or other customary mode, and a copy of the order shall be fixed on a conspicuous part of the property and upon a conspicuous part of the village chavdi, and where the property is land paying revenue to the State Government, also in the office of the Collector of the district and in the office of the Mamlatdar or Mahalkari or Tahsildar or any other revenue officer within whose jurisdiction the property is situated.

81. Procedure for attachment and sale of property for realisation of any security given by person in course of execution proceedings. - The procedure laid down in Rules 80 and 83 shall mutatis mutandis apply for attachment and sale of property for the realisation of any security given by a person in the course of execution proceedings.

82. Issue of proclamation prohibiting private transfers of property. - The Registrar or Liquidator when acting under clause (a) of Section 98 shall, at the time of signing a certificate affecting any property, issue proclamation in Form Q and in the case of immovable property shall also forward a copy of the proclamation to the Mamlatdar, Mahalkari or Tahsildar or any other revenue officer within whose jurisdiction the property is situated, who shall cause an entry about such certificate to be made in the Record of Rights.

83. Procedure for execution of awards. - (1) Every order or award passed by the Registrar, or the person authorised by him [or the Co-operative Court] under Section 95 or 96 shall be forwarded by the Registrar to the society or to the party concerned with instructions that the society or, as the case may be, the party concerned should initiate execution proceedings forthwith according to the provisions of Section 98.

(2) If the amount due under the award is not forthwith recovered, or the order thereunder is not carried out, it shall be forwarded to the Registrar with an application for execution along with all information required by the Registrar, for the issue of certificate under Section 98. The applicant shall state whether he desires to execute the award by a civil [court] or through the Collector as provided under Section 98 or through the Registrar as provided under Section 156.

(3) On receipt of such application for execution, the Registrar shall forward the same to the proper authority for execution along with a certificate issued by him under Section 98 and a proclamation issued under Rule 82 in the matter prescribed therein.

(4) Every order passed in appeal under Section 97 shall also be executed in the manner laid down in sub-rules (2) and (3).

84. Execution of awards or orders in special cases. - Subject to the provision of Section 98, the Registrar may, by an order in writing specially authorise any officer of the Co-operative Department or any officer [of the concerned society or,] of a federal society or a Central Bank, on an application made by it, to call for and send awards or orders obtained by any society for execution. The society or societies in respect of which these powers are to be exercised shall be specified in the order.

85. Transfer of property which cannot be sold. - (1) When in execution of an order sought to be executed [under sections 98, 101 and 137] any property cannot be sold for want of buyers, if such property is in the possession of the defaulter or of some person on his behalf, or of some person claiming it under a title created by the defaulter subsequent to the issue of the certificate by the Registrar or Liquidator [***] the officer conducting the execution shall as soon as practicable report the fact to the Court or the Collector or the Registrar, as the case may be, and the society applying for the execution of the said order.

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

(3) On receipt of an application under sub-rule (2), notices shall be issued to the defaulter and to all persons known to be interested in the property, including those whose names appear in the Record of Rights as persons holding any interest in the property, about the intended transfer.

(4) On receipt of such a notice, the defaulter, or any person owning such property, or holding an interest therein by virtue of a title acquired before the date of the issue of a certificate [or as the case may be, under sections 98, 101 and 137] may, within one month from the date of the receipt of such notice, deposit with the Court or the Collector or the Registrar, for payment to the society a sum equal to the amount due under the order sought to be executed together with interest thereon and such additional sum for payment of costs and other incidental expenses as may be determined in this behalf by the Court or the Collector or the Registrar, as the case may be.

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

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

(7) If the property is transferred to the society in partial satisfaction of the amount due to it from the defaulter, the Court or the Collector or the Registrar, as the case may be, shall, on the production by the society of a certificate signed by the Registrar, recover the balance due to the society in the manner laid down in Section 98.

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

(i) In the case of moveable property:-

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

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

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

(ii) In the case of immovable property:-

- (a) Where the property is growing or standing crop, it may be delivered to the society before it is cut and gathered and the society shall be entitled to enter on the land, and to do all that is necessary for the purpose of tending and cutting and gathering it.
 - (b) Where the property is in the possession of the defaulter or of some person on his behalf or some person claiming under a title created by the defaulter subsequent to the issue of a certificate [or as the case may be, under sections 98, 101 and 137] the Court of the Collector or the Registrar, as the case may be. shall order delivery to be made by putting the society or any person whom the society may appoint to receive delivery on its behalf in actual possession of the property and if need be, by removing any person who illegally refuses to vacate the same.
 - (c) Where the property is in the possession of a tenant or other person entitled to hold the same by a title acquired before the date of issue of a certificate [or as the case may be, under sections 98, 101 and 137] the Court or the Collector or the Registrar, as the case may be, shall order delivery to be made by affixing a copy of the certificate of transfer of the property to the society in some conspicuous place on the property and proclaiming to such person by beat of drum or other customary mode at some convenient place, that the interest of the defaulter has been transferred to the society.
- (9) The society shall be required to pay expenses incidental to sale including the cost of maintenance of livestock, if any, according to such scale as may be fixed by the Registrar from time to time.
- (10) Where land is transferred to the society under sub-clause (a) of clause (ii) of sub-rule (8) before a growing or standing crop is cut and gathered, the society shall be liable to pay the current year's land revenue on the land.
- (11) The society shall forthwith report any transfer of property under sub-clause (b) or (c) or clause (ii) of sub-rule (8) to the village accountant for information and entry in the Record of Rights.
- (12) The society to which property is transferred under sub-rule (5) shall maintain for each such defaulter a separate account showing all the expenses incurred including payment to outside encumbrances, land revenue and other dues on the property and all the income derived from it.
- (13) The society to which property is transferred under sub-rule (5) shall use its best endeavour to sell the property [by following due procedure as provided in rule 107, as soon as practicable within such period but not more than period of three years from the date of entering the name of the society in the record of rights of the transferred property,] to the best advantage of the society as well as that of the defaulter, the first option being always given to the defaulter who originally owned the property. The sale shall be subject to confirmation by the Registrar. The proceeds of the sale shall be applied to defraying the expenses of the sale and other expenses incurred by the society and referred to in sub-rules (9) and (12) and to the payment of the arrears due by the defaulter under the order in execution and the surplus (if any) shall then be paid to the defaulter.
- (14) Until the property is sold, the society to which the property is transferred under sub-rule (5) shall use its best endeavours to lease it or to make any other use that can be made of it so as to derive the largest possible income from the property.
- (15) When the society to which property is transferred under sub-rule (5) has realised all its dues, under the order in execution of which the property was transferred from the proceeds of management of the property, the property, if unsold, shall be restored to the defaulter.
- [[86. Payment of fees for decisions of disputes, appeal, revision, application, etc. - (1) The Registrar or the Co-operative Court, as the case may be, may take a dispute, appeal, revision, etc.

on file only if the application for such dispute in Form 'P' is affixed with the court-fees stamps at the rates, in the following categories, namely: -

Proper Court Fee Rs.

(i) Simple money claims

- | | | |
|-----|--|---|
| (a) | When the amount of the claim in Dispute does not exceed Rs. 1,00,000/- | Two percent or Rs. 100/- whichever is higher. |
| (b) | When such amount exceeds Rs. 1,00,000/-but does not exceed Rs 5,00,000/- | Rs. 2000/- plus one percent of the amount of claim in dispute exceeds Rs. 1,00,000/-, subject to the maximum of Rs. 6,000/- |
| (c) | When such amount exceeds Rs. 5,00,000/- | Rs. 6,000/- plus ½ percent of the amount of claim in dispute exceeds Rs. 5,00,000/- subject to the maximum of Rs. 25,000/- |

(ii) Complicated money claims .-

- | | | |
|-----|---|--|
| (a) | When the amount of the claim in Dispute does not exceed Rs. 1,00,000/- | Two and half percent or Rs. 200/- whichever is higher. |
| (b) | When such amount exceeds Rs. 1,00,000/- but does not exceeds Rs. 5,00,000/- | Rs. 2500/- plus two percent of the amount of claim in dispute exceeds Rs. 1,00,000/- subject to the maximum of Rs. 10500/- |
| (c) | When such amount exceeds Rs. 5,00,000/- | Rs. 10500/- plus one percent of the amount of claim in dispute exceeds Rs. 5,00,000/- subject to the maximum of Rs. 40,000/- |
- (i) Application, appeal, review and revision application presented before the concerned authority or Court under the Act and the Rules Rs. 100/-
- (ii) Any other dispute under section 91 (excluding money claim) Rs. 5,000

Explanation. - For the purposes of this sub-rule, "Simple money claim" means the claim of a society for sanction of credit to its members, based on loan bonds, promissory notes, admissions

or an acknowledgments and "Complicated money claims" means all money claims other than simple money claims. The question regarding the classification of a dispute, appeal, revision, etc. for the purpose of this sub-rule shall be decided by the Registrar or the Co-operative Court deciding the dispute, appeal, revision, etc. and the decision of the Registrar or the Co-operative Court, as the case may be shall, be final.

(2) No document of any of the kinds specified below shall be filed before the Registrar or the Co-operative Court, unless it is affixed with the proper court fee stamp as specified against it : -

	Proper Court Fees Rs.
(i) Vakalatnama	10
(ii) Application for adjournment	25
(iii) Application for interim stay of relief	100

(3) (a) The Registrar or the Co-operative Court deciding any dispute, appeal, revision, etc. may require the party or parties to the dispute, appeal, revision, etc. to deposit such sum as may, in its opinion, be necessary to meet the expenses, including payment of fees to the Registrar or the Court, as the case may be.

(b) The Registrar shall have power to order the fees and expenses of determining the dispute, appeal, revision, etc. to be paid by the society out of its funds or by such party, or parties to the dispute, appeal, revision, etc., according to the following scales : -

	Fee Rs.
(i) Application, appeal, review and revision application presented before the concerned authority the Act and the Rules.	Rs. 100/-
(ii) Processing Fee for respondent in respect of application appeal, petition, review and revision, application, etc. presented before the concerned authority.	Rs. 100/- per respondent

(c) The State Government may, by general or special order, specify the scale of fees and expenses to be paid to the Registrar or the Co-operative Court.

CHAPTER IX

Liquidation

87. Mode of communication of an interim order under Section 102. - An interim order under clause (a) or sub-clause (iv) of clause (c) or sub-section (1) of Section 102 shall call upon the

society in respect of which the order is made to submit its explanation to the Registrar within one month from the date of issue of such order and shall be communicated by registered post (with acknowledgement due) to the society by the Registrar.

88. Cost of hearing appeal. - No appeal from a member under Section 104 shall be entertained unless it is accompanied by [rupees one hundred] or such higher amount not exceeding [rupees two thousand five hundred] as may be directed by the appellate authority as security for the costs of hearing the appeal.

89. Appointment of Liquidator and the procedure to be followed and powers to be exercised by him. - The following procedure shall be adopted for the appointment of the Liquidator and for the exercise of his powers, namely :-

- (1) The appointment of the Liquidator shall be notified by the Registrar in the *Official Gazette*.
- (2) As soon as may be after the interim order is issued under Section 102, the Liquidator shall take over the custody and control of all the property, effects and actionable claims and books, records and other documents pertaining to the business of the society and continue to hold custody and control thereof until the interim order is vacated.
- (3) Where the interim order is vacated, the Liquidator shall take action in accordance with the provisions of sub-section (6) of Section 103.
- (4) Where the Liquidator receives the Registrars final order confirming the interim order, the Liquidator shall publish by such means as he may think proper a notice requiring all claims against the society to be notified to him within two months of the publication of the notice and shall thereafter proceed to take such further action as he is empowered to take under the Act. All liabilities recorded in the account books of the society shall be deemed *ipso facto* to have been duly notified to the Liquidator under this rule.
- (5) The Liquidator shall, after settling the assets and liabilities of the society as they stood on the date on which the order for winding up is made, proceed to determine the contribution to be made or remaining to be made to the assets of the society by persons and estates referred to in clause (h) of Section 105 and by order call upon each of them to pay the amount specified in the order as contribution and as costs of the liquidation determined under clause (k) of Section 105. Every such order shall be submitted for approval to the Registrar, who may modify it or refer it back to the Liquidator for further inquiry or other action or may forward it for execution under Section 98.
- (6) If the sum assessed against any member is not recovered, the Liquidator may issue subsidiary order or orders against any other member or members to the extent of the liability of each for the debts of the society until the whole amount due from members is recovered. The provisions of sub-rule (5) shall *mutatis mutandis* apply to such orders.
- (7) The Liquidator shall submit a quarterly progress report and such other returns and statements to the Registrar in such forms as the Registrar may require, showing the progress made in the liquidation of the society.

- (8) The Liquidator may empower any person, by general or special order in writing, to make collections and to grant valid receipts on his behalf.
- (9) Unless otherwise permitted by the Registrar, all funds in charge of the Liquidator shall be deposited in the Apex State Co-operative Bank, or a Central Cooperative Bank or in the State Bank of India, and shall stand in the name of the Liquidator.
- (10) The Registrar shall fix the amount of remuneration, if any, to be paid to the Liquidator. The remuneration shall be included in the cost of liquidation which shall be payable out of the assets of the society in priority to other claims.
- (11) The Liquidator shall have power to call meetings of members of the society in liquidation.
- (12) The Liquidator may submit an application to the Registrar for the reconstruction of the society under Section 19 if he is of opinion that such reconstruction has a reasonable chance of success.
- (13) The Liquidator may, at any time, be removed by the Registrar and he shall on such removal be bound to hand over all the property and documents relating to the society in liquidation to such person or persons as the Registrar may direct.
- (14) (i) The Liquidator shall not exercise the powers under clauses (c), (d), (e), (f), (g), (h) and (k) of Section 105 without the prior approval of the Registrar.
- (ii) An appeal against the order of the Liquidator under clauses (a), (b), (i), (j), (l), (m) and (n) of Section 105 shall lie to the Registrar.
- (15) The Liquidator shall keep such books and accounts as may from time to time be required by the Registrar.
- (16) At the conclusion of the liquidation proceedings, a general meeting of the members of the society shall be called. At such meeting, the Liquidator shall summarise his proceedings, point out causes of the failure of the society, and report what sum, if any, remains in his possession after meeting all the liabilities of the society as determined under the rules and suggest how the surplus, if any, should be utilised.
- [(17) At the conclusion of the liquidation proceedings, unrealized assets and unrealized actionable claims, if any shall vest in the Registrar, who may appoint a custodian or receiver, to realize such remaining assets and actionable claims as above and credit the same to the surplus. A custodian or receiver may sue or defend any disputes arising out of such proceedings thereunder :

Provided that, unrealized actionable claims shall be realized by the Registrar or custodian as the case may be and expenditure incurred for realization if any may be met out of the surplus kept at his disposal.]

90. Disposal of surplus assets. - Where the Registrar has to divide the surplus assets amongst members of the society which has been wound up, he shall divide them in proportion to the share

capital held by each of such members or in any other suitable manner sanctioned by the State Government in special cases.

91. Interest on amounts due from a society under liquidation. - The creditor of a society, which is being wound up, may apply to the Liquidator for payment of interest on any debt due from the society up to the date of the Registrars order for winding up. The rate at which interest shall be paid shall be in the case of the Maharashtra State Co-operative Bank or a Co-operative Bank permitted by the Registrar to finance societies, the contract rate and in any other case the rate which may be fixed by the Registrar which shall not exceed the contract rate-

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

92. Disposal of records of society whose registration is cancelled. - (1) When an order directing a society to be wound up is issued under Section 102 and no Liquidator is appointed, the officers of the society which is wound up shall, within fifteen days of the publication of the order in the *Official Gazette*, send by registered post or railway parcel, the records and books of the society to the Assistant Registrar or Deputy Registrar concerned or hand over the same to the departmental local auditor.

(2) As soon as may be after the affairs of a society for which a Liquidator has been appointed have been wound up and an order cancelling the registration is made under Section 21, the Liquidator shall forward all the books and records of the wound-up society, and all his own papers and proceedings, by railway parcel to the Assistant Registrar or the Deputy Registrar concerned together with an account of his expenses, showing how the balance has been disposed of, and attaching the receipt of the person to whom it was handed over.

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

CHAPTER X

Land Development Banks

[93. Procedure for submission and consideration of applications for loans from Co-operative Agriculture and Rural Multipurpose Development Bank. -(1) All applications for loans from a Co-operative Agriculture and Rural Multipurpose Development Bank shall be made in the form as specified by the State Co-operative Agriculture and Rural multipurpose Development Bank with the approval of the Registrar. The form shall among other things contain a list of documents which are required to be submitted for purposes of dealing with the application.

(2) Every Co-operative Agriculture and Rural Multipurpose Development Bank shall keep sufficient stock of printed copies of the forms of loan applications and shall supply them to the intending borrower on payment of a fee of one rupee per form.

(3) Every Co-operative Agriculture and Rural Multipurpose Development Bank shall specify, from time to time, the name, designation and address of the officer (hereinafter in this chapter referred to as "the Receiving Officer"), who shall receive all loan applications from the intending borrowers.

(4) The application together with copies of necessary documents, deposit equivalent to value of one share of the Bank and fees specified below, shall be submitted by the applicant to the Receiving Officer as follows, namely: -

Loan amount	Fees to be paid in Rs.
Up to Rs. 5,000	5
Rs.5,001 to Rs.15,000	20
Rs.15,001 to Rs.30,000	30
Rs.30,001 to Rs.50,000	50
Rs.50,001 and above	100

(5) On receipt of an application for loan, the Receiving Officer shall put his initials on the application and mention his designation and the date of receipt of the application.

(6) After an application for loan has been received, the Receiving Officer shall verify whether it contains all the necessary particulars and is accompanied by the necessary documents. If any details are lacking, he shall get the application completed by the applicant.

(7) Each application shall be entered in the chronological order in the register of application for loans from the Land Development Bank to be maintained by the Receiving Officer and shall be dealt with in the same order.

(8) Immediately after the application is entered in the register of applications for loans from the Co-operative Agriculture and Rural Multipurpose Development Bank, the Public Enquiry Officer of the Bank shall give at least eight clear days public notice in Form "S" calling upon all persons interested to present their objections to the loan, if any. The notice shall also be given by beat of drum and shall be affixed at the chavdi of the village or villages where the applicant resides and in the limits of which the land or lands proposed to be improved or offered as security for the loan is or are situated. A copy of the notice shall be exhibited in the head office and relevant branch office, if any, of the Co-operative Agriculture and Rural Multipurpose Development Bank concerned and in the office, if any, of the person giving the notice. If any persons interested fail to appear as stated as required by the aforesaid notice, the questions at issue will be decided in their absence and such persons will have no claim whatsoever against the property for which the loan applied for will be sanctioned till such time as the loan together with interest thereon or any other dues arising out of the loan are paid in full by the loanee.

(9) The Public Enquiry Officer shall consider every objection so received.

(10) The Public Enquiry Officer shall then forward the application within two days of their disposal to the Co-operative Agriculture and Rural Multipurpose Development Bank concerned. The Co-operative Agriculture and Rural Multipurpose Development Bank may appoint an enquiry officer (hereinafter in this chapter referred to as "the Enquiry Officer") to enquire into the applications. The Enquiry Officer shall make inquiry by actually visiting the land in which the improvement is proposed to be effected and the lands and other property offered as security. He shall conduct his enquiry in accordance with the form specified by the State Co-operative Agriculture and Rural Multipurpose Development Bank, with the approval of the Registrar. In case the Public Enquiry Officer is unable to forward the application within two days, he shall make a report to the Registrar, stating there under the reasons therefor and he shall, thereafter act in accordance with such directions as may be issued to him by the Registrar.

(11) The Enquiry Officer may make such other enquiries as may be necessary and shall value the lands according to such formulae as may be laid down by the State Co-operative Agriculture and Rural Multipurpose Development Bank, estimate the repaying capacity of the applicant and examine the feasibility and the utility of the proposed improvement. He shall then submit his report stating what amount of loan may be granted to the applicant against what security and for what purpose and the period within which it may be recovered from him. The Enquiry Officer shall complete his inquiry within fifteen days of the date of the receipt of the application by him. If the Enquiry Officer is unable to complete his enquiry within fifteen days, he shall make a report to the Co-operative Agriculture and Rural Multipurpose Development Bank stating therein the reasons therefor and he shall thereafter act in accordance with such directions as may be issued to him by the Co-operative Agriculture and Rural Multipurpose Development Bank.

(12) After completion of the enquiry, the application together with his report shall be submitted by the Enquiry Officer to the Co-operative Agriculture and Rural Multipurpose Development Bank together with the following certificates, namely: -

(a) Certificate regarding outstanding Government dues;

(b) Any other relevant certificate.

(13) On receipt of the report of the Enquiry Officer under sub-rule (12), the Co-operative Agriculture and Rural Multipurpose Development Bank shall satisfy itself that, the inquiry has been properly conducted. If there are any deficiencies, the Bank shall get them completed immediately.

(14) The Co-operative Agriculture and Rural Multipurpose Development Bank may then undertake such further scrutiny as may be necessary and pass final orders within 30 days. Decision shall be communicated to the applicant within 7 days thereafter.

(15) All the applications received by the Co-operative Agriculture and Rural Multipurpose Development Bank shall be disposed of by the Bank within a maximum period of four months.

(16) In the case of rejection of applications for loan, the reasons therefor shall be communicated by the Bank to the applicant. When the loan has been sanctioned, the Bank shall lay down the terms and conditions regarding grant of the loan, regarding payment of installments, submission of report on the progress of improvement of land and release of subsequent installments. The applicant shall be asked by the Co-operative Agriculture and Rural Multipurpose Development Bank to remain present at the head office or branch office of the Bank on a date to be fixed for execution of the mortgage deed and for receiving loan or the first installment thereof. Such date shall not ordinarily be later than 15 days from the date of communication of sanction of loan to the applicant.

(17) The applicant, while receiving the amount of the loan or the first installment of the loan, shall purchase shares of the Bank to such extent as may be required under the by-laws of the Bank. The Co-operative Agriculture and Rural Multipurpose Development Bank shall issue a receipt to the applicant giving full particulars of the amounts paid by him from time to time.

(18) Failure to comply with any time-limit specified in this rule shall not in any manner affect the validity of the sanction of the loans by a Co-operative Agriculture and Rural Multipurpose Development Bank or by the State Co-operative Agriculture and Rural Multipurpose Development Bank.]

94. Registration of copies of instruments under Section 122. - Copies of instruments referred to in Section 122, duly certified by the Manager of the [Co-operative Agriculture and Rural Multipurpose Development Bank], shall be sent by the Land Development Bank to the Registering

Officer concerned within a period of three months from the date of execution of the instruments, by registered post or by hand delivery.

95. Authority to [Cooperative Agriculture and Rural Multipurpose Development Bank] to exercise power under Section 133(1). - The authorisation for the purposes of clause (a) of the proviso to subsection (1) of Section 133 shall be granted to the [Co-operative Agriculture and Rural Multipurpose Development Bank] by the Registrar after hearing the objections, if any, of the mortgagor or mortgagors concerned.

96. Appointment of Receiver and his powers under Section 133. - (1) The [State Co-operative Agriculture and Rural Multipurpose Development Bank] may, on the application of a [Co-operative Agriculture and Rural Multipurpose Development Bank] and under circumstances in which the power of sale conferred by Section 133 can be exercised, appoint any person in writing to be a Receiver of the produce and income of the mortgaged property or any part thereof and such Receiver shall be entitled either to take possession of the property or collect its produce and income, as the case may be, to retain out of any money realised by him, his expenses of management including his remuneration, if any, as fixed by the [State Co-operative Agriculture and Rural Multipurpose Development Bank] and to apply the balance in accordance with the provisions of sub-section (8) of Section 69-A of the Transfer of Property Act, 1882.

(2) A Receiver appointed under sub-rule (1) may, for sufficient cause and on application made by the mortgagor, be removed by the [State Co-operative Agriculture and Rural Multipurpose Development Bank].

(3) A vacancy in the office of the Receiver may be filled up by the [State Co-operative Agriculture and Rural Multipurpose Development Bank].

(4) Nothing in this rule shall empower the [State Co-operative Agriculture and Rural Multipurpose Development Bank] to appoint a Receiver where the mortgaged property is already in the possession of a Receiver appointed by a civil court.

97. Appointment, qualifications and powers and functions of a [recovery officer] under Section 133. - A [Co-operative Agriculture and Rural Multipurpose Development Bank] may, from time to time, by a resolution of its committee, appoint any of its officers or any other person as a [recovery officer], with the approval of the Registrar, for the purpose of effecting sale of mortgaged property under Section 133. Such [recovery officer] shall exercise the same powers and functions as are conferred upon a Recovery Officer and a [recovery officer] under these rules.

98. Procedure for distraint and sale of the produce of the mortgaged land and sale of mortgaged property. - The procedure laid down in Rule 107 shall *mutatis mutandis* apply for the distraint and sale of the produce of the mortgaged land and the sale of mortgaged property under Sections 132 and 133:

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

- (i) any person who has any interest in, or charge upon, the property mortgaged, or in or upon the right to redeem the same, so far as is known to the Bank;
- (ii) any surety for the payment of the mortgaged debt or any part thereof; and
- (iii) any creditor of the mortgagor who has in a suit for administration of his estate obtained decree for sale of mortgaged property.

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

99. Circumstances under which the [State Co-operative Agriculture and Rural Multipurpose Development Bank] or the Trustee may take action under Section 133(2). - (1) If a [Co-operative Agriculture and Rural Multipurpose Development Bank] fails to take action against a defaulter under Sections 129 or 132 or sub-section (1) of Section 133, the [State Co-operative Agriculture and Rural Multipurpose Development Bank] may call upon the former to take necessary action within a period of seven days and report compliance. If no report of compliance is received, the [State Co-operative Agriculture and Rural Multipurpose Development Bank] may itself take necessary action as indicated in the aforesaid section and sub-section.

(2) Where necessary action is not taken against the defaulter by the [Co-operative Agriculture and Rural Multipurpose Development Bank] or by the [State Co-operative Agriculture and Rural Multipurpose Development Bank], the Trustee may call upon them to take necessary action within seven days and report compliance. If no such report of compliance is received, the Trustee may himself take the necessary action.

100. Submission of report for confirmation of sale under Section 134. - (1) When the sale of the mortgaged property has been effected by a [Cooperative Agriculture and Rural Multipurpose Development Bank] under Section 133 and the purchase amount has been received from the purchaser, the Bank shall submit a report of the sale immediately to the [State Co-operative Agriculture and Rural Multipurpose Development Bank] and the Registrar as required by sub-section (1) of Section 134.

(2) When the sale of the mortgaged property has been effected by the [State Co-operative Agriculture and Rural Multipurpose Development Bank] or the Trustee under Section 133 and the purchase amount has been received from the purchaser, the [State Co-operative Agriculture and Rural Multipurpose Development Bank] or the Trustee, as the case may be, shall submit a report of sale immediately to the Registrar as required under subsection (2) of Section 134.

(3) The report referred to in sub-rules (i) and (2) shall contain, amongst other details, the following specific particulars :-

- (a) brief account of the circumstances which rendered the sale necessary;
- (b) full details showing how the provisions of clauses (a), (b)(i) to (iv) and (c) of the proviso to sub-section (1) of Section 133 have been complied with;
- (c) full details showing how the procedure laid down in Rule 107 for holding the sale of immovable property has been followed;
- (d) name of the [recovery officer];
- (e) place of sale;
- (f) date of sale;
- (g) description of property sold;
- (h) name of purchaser and his address;
- (i) value realised;
- (j) cost of sale; and

(k) date of receipt of purchase money from the purchaser.

(4) The [State Co-operative Agriculture and Rural Multipurpose Development Bank] or the Registrar may call for any clarification deemed necessary from the [Cooperative Agriculture and Rural Multipurpose Development Bank] and satisfy itself or himself that the sale has properly been conducted and the [Cooperative Agriculture and Rural Multipurpose Development Bank] shall furnish the same forthwith. Similarly, the Registrar may call for any clarification from the [State Co-operative Agriculture and Rural Multipurpose Development Bank] or the Trustee for the same purpose and such clarification shall be furnished forthwith by the [State Co-operative Agriculture and Rural Multipurpose Development Bank] or the Trustee as the case may be.

101. Certificate of purchase. - The certificate to be granted by a [Cooperative Agriculture and Rural Multipurpose Development Bank] under sub-section (1) of Section 136 shall be in Form 'T'.

102. Sale of immovable property purchase by a [Co-operative Agriculture and Rural Multipurpose Development Bank]. - (1) The Land Development Bank or the [State Co-operative Agriculture and Rural Multipurpose Development Bank], which has purchased any immovable property sold under Chapter XI of the Act shall, unless otherwise directed by the Trustee, use its best endeavour to sell the property as early as possible to the best advantage of the Bank. The sale shall be effected by public auction within a period of six months from the date of purchase or within such further period as may be permitted by the Trustee.

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

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

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

(c) publication of sale notice at-

(i) the village *chavdi*;

(ii) the office of the Mamlatdar, Tahsildar or Mahalkari concerned;

(iii) the office of the Land Development Bank;

(iv) the principal office of the Deputy Registrar in the District.

The sale shall be subject to confirmation by the Registrar.

103. Certain provisions of Rule 107 to apply to sale of immovable property under Chapter XI of the Act. - (1) The provisions of clauses (e), (f), (g), (h), (i), (j) and (k) of sub-rule (11) and of sub-rules (12), (13) and (14) of Rule 107 shall *mutatis mutandis* apply to the sale of immovable property under Chapter XI of the Act.

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

CHAPTER XI

Appeals, Review and Revision

[104. Qualifications of President and other members of the Maharashtra State Cooperative Appellate Court, and their appointment. - (1) The State Government shall appoint a person who is qualified to be appointed as a Judge of a High Court, or is holding or has held a judicial office not lower in rank than that of District Judge, to be the President of the Maharashtra State Co-operative Appellate Court.

(2) Each of the other members of the Appellate Court to be appointed by the State Government shall be a person, -

(a) who possesses any qualification laid down in sub-rule (1), or

(b) who has held office not lower in rank than that of Joint Registrar or Cooperative Societies for [not less than one year].

(c) who is enrolled as an Advocate, or holds a degree or other qualification in law of any University established by law or of any other authority which entitles him to be enrolled as an Advocate, and either (i) has held office not lower in rank than that of Deputy Secretary to Government for no less than three years, or (ii) in the opinion of the State Government, possesses good knowledge and experience of co-operative law and practice or is closely associated with the co-operative movement. As far as practicable, at least one of the other members of the Appellate Court shall be a person who is holding or has held an office not lower in rank than that of Joint Registrar as aforesaid.

(3) Appointments of persons who possess qualifications other than those of holding or having held a judicial or other qualifying office under Government as President or other members of the Appellate Court shall be made by the State Government, after consultation with the Advocate General for the State.

(4) No person shall hold or continue to hold the office of the President after he attains the age of sixty-five years and of any other member of the Appellate Court after he attains the age of sixty-two years.

(5) If the President or any other member of the Appellate Court is in Government service at the time of his appointment, his pay, allowances and other conditions of service shall continue to be governed by the service conditions rules applicable to him before such appointment, and if he is a direct recruit, his pay, allowances and other conditions of service shall be governed by the Bombay Civil Services Rules and other rules made by the State Government from time to time.

(6) Subject to sub-rule (4) and save as otherwise specified by the State Government in any case, the President and any other member of the Appellate Court shall hold office for a period of three years in the first instance, and thereafter his term of office may be extended by the State Government, from time to time, for such period as it may deem fit.

(7) In the event of the occurrence of any vacancy in the office of the President of the Appellate Court, the senior-most member having judicial experience shall act as President.

(8) The Headquarters of the Appellate Court shall be at such place as may be notified by the State Government in the *Official Gazette*.]

105. Constitution of authority by the State Government to hear appeals which lie to that Government. - The appeals which lie to the State Government under the Act may be heard by [the Secretary, the Additional Secretary or any of the Deputy Secretaries to Government, Co-operation and Rural Development Department.]

106. Procedure for presentation to and disposal of appeals by State Government and Registrar under Section 152. - (1) An appeal to the State Government or the Registrar shall be presented by the appellant or by his duly appointed agent to the appellate authority either in person during office hours or sent to it by registered post.

(2) When such an appeal is presented by an agent, it shall be accompanied by letter of authority of the appellant appointing him as such.

(3) Every appeal shall be accompanied by a certified copy of the order against which the appeal is preferred.

(4) Every appeal shall:-

- (i) be either type written or hand written in ink legibly;
- (ii) specify the name and the address of the appellant and also the name and address of the opponent, as the case may be;
- (iii) state by whom the order against which the appeal is preferred was made;
- (iv) clearly state the grounds on which the appeal is made;
- (v) state precisely the relief which the appellant claims; and
- (vi) give the date of the order appealed against.

(5) On receipt of the appeal, the appellate authority shall endorse on it the date of its receipt [and shall duly acknowledge the same]. The appellate authority shall, as soon as possible, examine it and satisfy itself that:-

- (i) the person presenting it has the authority to do so;
- (ii) that it is made within the prescribed time limit; and
- (iii) that it conforms to all the provisions of the Act and these rules.

(6) If the appellate authority finds that the appeal presented does not conform to any of the said provisions, it shall make a note on the appeal to that effect and may call upon the appellant or his agent to remedy the defects within a period of seven days of the receipt of the notice to do so or in case the appeal has not been presented within the prescribed time limit to show cause within the said period of seven days why it should not be dismissed as time-barred by the appellate authority.

(7) If the defect is remedied or the cause shown by the appellant or his agent satisfies the appellate authority, the appellate authority may proceed to consider the appeal.

(8) If the appellant or his agent fails to remedy the defects or to show cause to the satisfaction of the appellate authority within the said period, the appellate authority may, if the appeal is not presented within the time limit, dismiss the appeal as time-barred. In cases where it is considered necessary to give a hearing, the appellate authority may fix a date for hearing, of which due notice shall be given to the appellant or his agent.

(9) On the date so fixed, the appellate authority shall go through the relevant papers, hear the appellant or his agent, [and the respondent.] if present, and pass suitable order on the appeal.

(10) The appellate authority may, at its discretion, adjourn to any other day the hearing of any appeal at any stage.

(11) When the hearing of the appeal is completed, the appellate authority shall announce its judgement forthwith or may fix a date for the same, after giving due notice to the appellant or the other parties to the appeal.

(12) Every decision or order of the appellate authority shall be in writing and a copy of the same shall be supplied to the appellant and such other parties as in the opinion of the appellate authority are likely to be affected by the decision or the order.

[106A. Procedure for presentation to and disposal of revisions by state Government and the Registrar under Section 154. - The provisions of rule-106 shall apply *mutatis-mutandis* for

presentation to and disposal of revisions by state Government and the Registrar under section 152 of the Act.

CHAPTER XII *Miscellaneous*

[107. Procedure for attachment and sale of property under Section 156. - (1) A creditor holding a decree requiring the provisions of Section 156 to be applied, or society to which:-

- (a) any amount is due under a decree or order of a Civil Court obtained by the society;
- (b) any amount is due under a decision, award or order of the Registrar, Arbitrator, Liquidator or Tribunals;
- (c) any sum is awarded by way of costs under the Acts;
- (d) any amount is due under a certificate granted by the Registrar to the assets of the society;
- (e) any amount is due under a certificate granted by the Registrar [under section 98] under sub-sections (1) or (2) of Section 101 or under sub-section (1) of Section 137 together with interest, if any, due on such amount or sum and the costs of process by the attachment and sale or by sale without attachment of the property of the person against whom such decree, decision, award or order has been obtained or passed, shall apply to the Recovery Officer within whose jurisdiction the debtor resides or the property of the debtor is situated. In the case of a society, a copy of the resolution of the committee of the society authorising any of the members to make and sign the application on its behalf, shall accompany the application]:

[Provided that no such application shall be necessary in respect of a certificate given under sub-section (1) or (2) of Section 101 of the awards or orders referred to in Rule 84.]

(2) Every such application shall be made in the form specified by the Registrar and shall be signed by the applicant and shall be accompanied [by deposit of such amount, if any as may be specified by the Registrar to cover the cost of process. The scales for such cost of process shall be fixed by the Registrar from time to time by a general or special order. Under such scales, the fee for issuing any notice shall not exceed [rupees fifty] and the bhatta to be paid to any person serving any notice shall not exceed [rupees one hundred] per day, and the deposit for other costs of process shall not exceed the expenditure likely to be incurred for recovering the amount.] The applicant may indicate whether he wishes to proceed against the immovable property mortgaged to the applicant or other immovable property or to secure the attachment of immovable property.

(3) On receipt of such application, or when the Registrar is proceeding under Rule 84, 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 the Registrar and prepare a demand notice in writing in duplicate in the form specified by the Registrar, setting forth the name of the defaulter and the amount due [***].

(4) Unless the applicant 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 :-

- (i) moveable 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 moveable property, or if the sale proceeds of the moveable property or properties attached and sold are insufficient to meet in full the demand of the applicant, the immovable property mortgaged to the applicant, or other immovable property belonging to the defaulter may be proceeded against.
- (5) In the seizure [and]and sale of moveable property, the following rules shall be observed :-
- (a) The [Recovery Officer] shall, after giving previous notice to the applicant, proceed to the village [town or city] where the defaulter resides or the property to be distrained is situated and serve a demand notice upon the defaulter if he is present. If the amount due together with the expenses be not at once paid, the [Recovery Officer] shall make the distress and shall immediately deliver to the defaulter a list of 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 amounts due are not previously discharged. If the defaulter is absent, the [Recovery 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 the property attached on the usual place of residence of the defaulter endorsing thereon the place where the property may be lodged or kept and an intimation of the place, day and hour of sale.
 - (b) After the distress is made, the [Recovery Officer] may arrange for the custody of the property attached with the applicant or otherwise. If the [Recovery Officer] requires the applicant to undertake the custody of the property, he shall be bound to do so and any loss incurred owing to his negligence shall be made good by the applicant. If the attached property is livestock, the applicant shall be responsible for providing the necessary food therefor. The [Recovery Officer] may, at the instance of the defaulter or of any person claiming an interest in such property, leave it in the village [town or city] or place where it was attached, in charge of such defaulter or such person, if he enters into a bond in the form specified by the Registrar with one or more sufficient sureties for the production of property when called for.
 - (c) The distress shall be made after sunrise and before sunset and not any other time.
 - (d) The distress levied shall not be excessive, that is to say, the property distrained shall as nearly as possible be 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 defaulter are attached, the [Recovery 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 expenses 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 [Recovery Officer] shall not work the bullocks or cattle, or make use of the goods or effects distrained, and he shall provide the necessary food for the cattle or livestock, the expense attending which shall be defrayed by the owner upon his redeeming the property or from the proceeds of the sale in the event of its being sold.
- (g) It shall be lawful for the [Recovery 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 [Recovery Officer] to break open or enter apartment in such dwelling house appropriated for the zanana or residence of women except as hereinafter provided.
- (h) Where the [Recovery Officer] may have reason to believe 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 [Recovery Officer] shall report the fact to the officer in charge of the nearest police station. On such report, the officer in charge of the said station shall send a police officer to the spot in the presence of whom the [Recovery Officer] may force open the outer door of such dwelling house or break open the door of any room within the house except the room appropriated by women. The [Recovery Officer] may also, in the presence of a police officer, after due notice given for the removal of women within a zanana and, after furnishing means for their removal in a suitable manner, if they be women of rank, who, according to the customs or usage cannot appear in public, enter the zanana apartments for the purpose of distraining the defaulters 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 [Recovery Officer] shall on the day previous to, and on the day of sale cause proclamation of time and place of the intended sale to be made, by beat of drum in the village in which the defaulter resides and in such other place or places as the [Recovery 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 laid down in clause (a) :

Provided that, where the property seized is subject to speedy and natural decay, or where the expenses of keeping it in custody is likely to exceed its value, the [Recovery 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 in one or more lots, as the [Recovery Officer] may consider advisable, and shall be disposed of to the highest bidder:

Provided that it shall be open to the [Recovery 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 [***] may, in his discretion, adjourn the sale to a specified day and hour recording his reasons for such adjournment. Where a sale is so adjourned for a longer period than seven days, a fresh proclamation under clause (i) shall be made unless the defaulter consents to waive it.

- (k) The property sold shall be paid for in cash at the time of sale, or as soon thereafter as the [Recovery Officer] 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 fails in the payment of purchase money, the property shall be re-sold.

- (l) Where the proceeds from the sale of the property exceeds the amount due from the debtor, the excess amount, after deducting the interest and the expenses of process and other charges, shall be paid to the defaulter.

- (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, bhata and other costs incurred in attaching the property, the [Recovery Officer] shall cancel the order of attachment and release the property forthwith.

- (n) The moveable properties exempted from attachment by the proviso to Section 60 of the Code of Civil Procedure, 1908 shall not be liable to attachment or sale under these rules.

(6) Where the moveable property to be attached is the salary or allowance or wages of a public officer or a railway servant or a servant of a local authority or a firm or a company, the Recovery Officer may, on receiving a report from the [Recovery Officer], order that the amount shall, subject to the provisions of Section 60 of the Code of Civil Procedure, 1908, be withheld from such salary or allowance or wages either in one payment or by monthly instalments as the Recovery Officer may direct and upon receipt or 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 [Recovery 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 moveable 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 a negotiable instrument not deposited in 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 may 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 demands 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 applicant and any other person not being the defaulter, claiming to be interested in such property by virtue of any assignment, attachment or otherwise shall be left to 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 Registrar or by any person to whom a dispute was transferred by the Registrar under Section 93 by a nominee or a board of nominees, then by the order of the Registrar.

- (ii) Where the Registrar makes an order under clause (i), he shall, on the application of the applicant 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 judgement debtor bound by the decree attached; and no payment or adjustment of the attached decree made by the judgement debtor in contravention of such order after receipt of notice thereof, either through the Recovery Officer or otherwise, shall be recognised so long as the attachment remains in force.

(9) Where the moveable property to be attached is:-

- (a) a debt due to the defaulter in question;
- (b) a share in the capital of a corporation or a deposit invested therein; or
- (c) other moveable property not in the possession of the defaulter, except property deposited in, or in the custody of, any Civil Court, The attachment shall be made by a written order signed by the 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 moveable property, the person in possession of it from giving it over to the defaulter.

A copy of such order shall be sent, in the case of the debt, to the debtor, in case of the share or deposit, to the proper officer or the corporation and in the case of any other moveable 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). The person concerned shall place it in the hands of the Recovery Officer as it becomes deliverable to the debtor.

(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 :-

- (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 of survey, the specification of such boundaries or numbers and the specification of the defaulters share or interest in such property to the best of the belief of the applicant 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 defaulter, the amount due, including the expenses, if any, and the bhatta 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 [Recovery Officer] shall serve or cause to be served a copy of the demand notice upon the defaulter or upon some adult male member of his family at his usual place of residence, or upon his authorised agent or, if such personal service is not possible, shall affix a copy thereof on some conspicuous part of the immovable property about to be attached and sold or sold without attachment, as the case may be:

Provided that where the Recovery Officer is satisfied that a defaulter with intent to defeat or delay the execution, proceeding against him is about to dispose of the 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 defaulter for payment of the amount due by him and the property of the defaulter shall be attached forthwith.

(c) If the defaulter fails to pay the amount specified in the demand notice within the time allowed, the [Recovery Officer] shall proceed to attach and sell, or sell without attachment, as the case may be, the immovable property noted in the application for execution in the following manner.

(d) Where attachment is required before sale, the Sale Officer shall, if possible, cause a notice of attachment to be served on the defaulter personally. Where personal service is not possible, the notice shall be affixed in some conspicuous part of the defaulters 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. [***].

[(d-1) (i) No sale of immovable property under these rules shall take place unless possession of the property is taken or caused to be taken.

(ii) For sale of attached immovable property, the Recovery officer shall take or cause to be taken possession, by delivering a possession notice prepared as nearly as possible in Form " Z " to these rules, to the judgement debtor and by affixing the possession notice on the outer door or at such conspicuous place of the property.

(iii) The possession notice as referred to in sub-rule (2) shall also be published in two leading newspapers, one in vernacular language having sufficient circulation in that locality, by the Recovery officer.

(iv) In the event of possession of immovable property is taken by the Recovery officer, such property shall be kept in his own custody or in the custody of any person authorised or appointed by him, who shall take as much care of the property in his custody as an owner of ordinary prudence would, under the similar circumstances, take care of such property.

(v) The Recovery officer shall take steps for preservation and protection of such property and insure it, if necessary, till it is sold or otherwise disposed of.

(vi) (a) Where the possession of the any property is required to be taken by the Recovery Officer under the provisions of this rule , the Recovery Officer may, for the purpose of taking possession, request, in writing, the Chief Metropolitan Magistrate or the District Magistrate within whose jurisdiction such property is situate to take possession thereof, and the Chief Metropolitan Magistrate or, as the case may be, the District Magistrate shall, on such request being made to him take possession of such property and forward such property to the Recovery Officer.

(b) For the purpose of securing compliance of this sub-rule, the Chief Metropolitan Magistrate or the District Magistrate may take or cause to be taken such steps and use, or cause to be used, such force, as may, in his opinion, be necessary.

(c) No act of the Chief Metropolitan Magistrate or the District Magistrate done in pursuance of this sub-rule shall be questioned in any court or before any authority.]

(e) Proclamation of sale shall be published by affixing a notice in the office of the Recovery Officer and the taluka 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 applicant and defaulter. The proclamation shall state the time and place of sale and specify as fairly and accurately as possible:-

- (i) the property to be sold;
- (ii) any encumbrance 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 applicant shall, when the amount for the realisation of which the sale is held exceeds Rs. 100, furnish to the Sale Officer within such time as may be fixed by him or by the 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 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 shall obtain prior approval of the Registrar to the upset price of movable and immovable property before publication of proclamation of sale.

Provided also that, upset price shall be approved by the Registrar by considering the comparative prevailing prices in the market, ready recokner rates, by obtaining valuation from the approved valuer within one month from the date of receipt of proposal from the Recovery Officer, after hearing the judgement debtor. Such approved upset price shall be valid for six months from the date of approval.]

Provided further that the Recovery 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 defaulter consents to waive it.

The sale shall be held after the expiry of not less than thirty days calculated from the date on which notice of the proclamation was affixed in the office of the Recovery Officer. The time and place of sale shall be fixed by the Recovery Officer and the place of sale shall be the village where the

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

Provided that in cases where an encumbrance certificate is not obtainable owing to the destruction of the connected records, an affidavit from the village Talathi or corresponding officer in regard to the encumbrances known to him supported by a certificate from the Registration Department that the encumbrance 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 15 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 re-sold :

Provided that where the applicant is the purchaser and is entitled to set off the purchase money under clause (k), the Sale Officer shall dispense with the requirements 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 [thirty] days from the date of sale :

Provided that the time for payment of the cost of the stamp may, for good and sufficient reasons, be extended at the discretion of the Recovery Officer up to [forty-five] 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 the last preceding clause, the deposit may, if the Recovery Officer thinks fit, after defraying the expenses of the sale, be forfeited to the State 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 or immovable property in default of payment of the amounts 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 an applicant purchases the property, the purchase money and the amount due on the decree shall be set off against one another, and the Sale Officer shall enter up satisfaction of the decree in whole or in part accordingly.

(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, bhatta 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) (i) Where immovable property has been sold by the [Recovery Officer], any person either owning such property or holding any 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:-

- (a) for payment to the purchaser a sum equal to 5 per cent of the purchase money; and
- (b) for payment to the applicant, the amount of arrears specified in the proclamation of sale as that for the recovery of which the sale was order 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 applicant.

- (ii) 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 the 5 per cent deposited by the applicant :

Provided that if more persons than one 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.

- (iii) 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.

[Provided that, in case the Recovery Officer fails to handover possession of the property for any reason within six months from the date of confirmation of the sale to the purchaser, amount deposited by the purchaser may be refunded to him on his demand.]

(14) (i) At any time within thirty days from the date of the sale of immovable property, the applicant or any person entitled to share in a rateable distribution of the assets or whose interests are affected by the sale, may apply to the [District Deputy Registrar] 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 [District Deputy Registrar] is satisfied that the applicant has sustained substantial injury by reason of such irregularity, mistake or fraud.

- (ii) If the application be allowed, the Recovery shall set aside the sale and may direct a fresh one. [Expenses of the such set aside sale shall be borne by the society.]

- (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 [District Deputy Registrar] shall make an order confirming 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 [District Deputy Registrar] 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.

(15) It shall be lawful for the [Recovery Officer] to sell the whole or any portion of the immovable property of a defaulter 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.

(16) [* * *]

(17) Where the cost and charged 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 by the applicant, such excess shall be deducted from

the sale proceeds of the property sold or the moneys paid by the defaulter, as the case may be, and the balance shall be made available to the applicant.

(18) 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 [Recovery Officer] or other officer employed 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.

(19) (a) Where any claim is preferred to, or any objection is made to the attachment of, any property attached under this rule on the ground that such property is not liable to such attachment, the [Recovery Officer] shall investigate the claim or objection and dispose it of on merits:

Provided that no such investigation shall be made when the [Recovery 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 [Recovery Officer] may postpone the sale pending the investigation of the claim or objection.

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

(20) (i) Any deficiency of price which may arise on a re-sale held under clause (j) of sub-rule (11) by reason of the purchasers default, and all expenses attending such re-sale shall be certified by [***] the Recovery Officer and shall, at the instance of either the applicant or the defaulter, be recoverable from the defaulting purchaser under the provisions of this rule. The costs, if any, incidental to such recovery shall also 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.

(21) Where any property has been attached in execution of a decree' but by reason of the applicants 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.

(22) Where assets are held by the [Recovery Officer] and before the receipt of such assets, demand notices in pursuance of applications for execution of decree against the same defaulter have been received from more than one applicant and the applicants have not obtained satisfaction, the assets, after deducting the costs of realisation, shall be rateably distributed by the [Recovery Officer] among all such applicants in the manner provided in Section 73 of the Code of Civil Procedure, 1908.

(23) 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 defaulter. 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 off; 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 applicant, compel such legal representative to produce such accounts as he thinks fit.]

[107A. Maximum rates of travelling allowance and daily allowance and sitting fees, etc for members of Committees. - Subject to the provisions of section 160-A, no member of a committee of any society shall be entitled to receive from the society travelling allowance, daily allowance and sitting fees, which are paid to the members for attending meetings of its committees, or for performing any other functions as such members entrusted to them by the society at the rates higher than the rates specified below, -

(1) Travelling Allowance. -

(a) Journey by air. - The Chairman or Vice-Chairman of a society which is an Apex Society or a State Level Society or a Co-operative Sugar Factory or a Co-operative Spinning Mill, shall be entitled to travel by air and may claim air fare, by enclosing air ticket to his travelling allowance bill. He shall also be entitled to claim actual taxi fare from the place of his residence to the Airport and *vice-versa*, whenever such journeys are performed in hired taxis.

(b) Journey by railway, steamer or motor transport. - For journeys performed by railway, steamer or motor transport, the member of an Apex Society, State Level Society, a Co-operative Sugar Factory or Spinning Mill or any other society, the working Capital of which is rupees fifty crores or above, shall be entitled to claim one and half times the actual fare for the highest class of accommodation admissible for the journey from the place of residence of the member to the nearest railway station or from the place of residence of the member to the place of the meeting or *vice-versa*. The member of any other society shall be entitled to claim one and half times the actual fare for journey by the Second Class. No separate taxi fare, from the place of residence to the place of meeting and *vice-versa*, shall be allowed:

Provided that, the member claiming one and half times of the actual fare for the highest class of accommodation of railway, shall produce his railway ticket and if such railway ticket is not produced, he shall be entitled to claim one and half times of the actual fare for the Second Class. A member of an Apex Society, State Level Society, a Co-operative Sugar Factory or Spinning Mill or any other society, the working capital of which is rupees fifty crores or above, using his own car, motor-cycle, etc., shall be entitled to claim road kilometer as admissible to First Grade Officers of the Government of Maharashtra:

Provided that, such member shall mention the number of his own car or motorcycle by which the journey is undertaken in the travelling allowance bill.

As per provisions of bye-laws of the society a member of the committee of a society travelling by a hired vehicle shall be on production of receipt entitled to a travelling allowance equal to the amount given by-the Government of Maharashtra to its First Grade Officers for such journeys.

(2) Daily Allowance. -

(a) (i) Rates of daily allowance admissible while on tour. - Subject to the provisions of clause (b), a member of a committee of a class of society shown in column (1) of the Table hereto shall be entitled to claim daily allowance at the rates shown against it in columns (2), (3), (4), (5), (6) or (7), as the case may be, of the said Table.

Table

	Class of society which	Ordinary Rate of	Special rate od daily allowance	For Delhi	Daily allowance
--	------------------------	------------------	---------------------------------	-----------	-----------------

	the member of the committee belongs	daily allowance for area other than Mumbai			and other States	for staying in hotels charging Tariffs, area as per cols. (3) (4) & (5)	
			For Corporation area	For Mumbai Corporation area		Area in col. (3)	Area in cols (4) & (5)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
1.	All societies the area of operation of which extends to the whole of State of Maharashtra or working capital of which is rupees fifty crores or above.	150	225	300	360	300	450
2.	All societies the area of operation of which extends to a division or a district or working capital of which is above rupees five crores but below rupees fifty crores.	135	195	270	330	270	405

3.	All societies the area of operation of which extends to a Tahsil and working capital of which is above rupees fifty lakhs but below rupees five	120	165	255	300	225	375
4.	All other Societies	90	150	225	270	210	300

Note. - (1) For claiming Daily Allowance for staying in hotels receipt indicating the actual expenditure incurred on lodging and boarding should be produced.

(2) A society may allow a member of the committee daily allowance at a special rate mentioned in column (3) of the Table in paragraph (i) for tour a city or town in other State other than the capitals of such State which, in the opinion of its committee fs a big city or town like those mentioned in that column.

(b) Calculation of daily allowance for the period spent on tour. - (i) Daily allowance at full rate shall be admissible for every 24 hours of absence, payment for fraction of twenty-four hours being regulated as under-

Duration of absence	Daily allowances
Upto 6 hours	... 30 per cent. of the admissible rate
6 to 12 hours	... 50 per cent. of the admissible rate
More than 12 hours	... Full daily allowance

No daily allowance shall be admissible during the period of journey:

Provided that, for journeys performed by road in a car vehicle supplied by the Institution, a member shall be entitled to claim daily allowance for the duration of the journey at the rate mentioned above.

(ii) When halts both at place for which ordinary rate and places for which special rate a daily allowance are admissible are involved in one tour the daily allowance at ordinary rate shall first be calculated for the entire period of absence. To this shall be added, the difference of daily allowance between the special rate and the ordinary rate admissible for the actual period of halt at the places specified for special rates. For computing the difference between the

two rates for fraction of 24 hours the percentage laid down in paragraph (i) shall be made applicable.

(3) Sitting Fees. - A member of a committee of society shown in column (1) of the Table hereto shall be entitled to claim per meeting sitting fee at the rate shown, against it in column (2) of the said Table. Such fee shall be payable only after all the subjects on the agenda of the meeting are discussed. If the member has attended more than one meeting on the same day, he shall be entitled to claim sitting fee for any one of the meetings at the choice of such member.

Table

	Class of the society to which the member of the Committee belongs	Rate of sitting fee
	(1)	(2)
1.	All Societies the area of operation of which extends to the whole of the State of Maharashtra or working capital of which is rupees fifty crores or above.	375
2.	All Societies the area of operation of which extends to a division or a district or working capital of which is above rupees five crores but below rupees fifty crores.	300
3.	All Societies the area of operation of which extends to a Tahsil and working capital, of which is above rupees fifty lakhs but below rupees five crores.	225
4.	(i) All other Societies with working capital of rupees fifty lakhs or above.	90
	(ii) All Societies the authorised capital of which is rupees twenty-five lakhs but less than rupees fifty lakhs.	75
	(iii) All other Societies	30]

[107B. Security to be furnished by officers and employees of societies handling cash, etc. - Every officer or employees of a society who is required to handle cash securities or property belonging to the society, [shall furnish security which shall not be less than that shown as under]:

		Amount of security to be furnished by		Nature of security to be furnished
		An officer	Any other employee	
		Rs.	Rs.	

(1)	If the paid up share capital of the society to which the security is to be furnished is Rs. 1.50 lakhs or less.	1,000	500	(a)	Cash security of
				(i)	Rs. 200 and
				(ii)	for the remaining amount in the form of personal security of fidelity guarantee policy or
				(b)	Full amount in cash or in the form of Government securities or postal saving certificates, duly endorsed in favour of the society.
(2)	If the paid-up share capital of the society to which the security is to be furnished is above Rs. 1.50 lakhs.	2,000	1,000	Do.	

Note. - The fidelity guarantee policy shall be in such model form as may be specified by the Registrar or in such other form as may be approved by him in this behalf. When the fidelity guarantee policy is taken, the person furnishing the security shall also execute a personal security bond, with two securities, in such model form as may be specified by the Registrar or in such other form as may be approved by him in this behalf.]

[107C. Maximum amount of cash which may be handled at a time and who may be authorized. -

(1) In the case of the following societies, only the Secretary or a paid employee of the society duly authorized in this behalf by a resolution of the Committee, shall handle or keep cash on hand to the extent shown below at the end of each working day, the excess being credited within three days in the nearest Branch of the District Central Co-operative Bank or any other approved Bank.

I	Primary Societies	Rs.
(1)	Agricultural Processing Societies, the paid up share Capital of which is more than Rs. 5 lakhs	50000
(2)	Spinning Mills	100000

(3)	Sugar factories	500000
(4)	Consumers Societies	50000
(5)	Dairy Societies	5000
(6)	Agricultural Credit Societies	10000
(7)	Fisheries Societies	10000
(8)	Industrial Estate	10000
(9)	Forest Labour Societies	10000
(10)	Labour Contract Societies	1,000
(11)	Salary Earners or other Urban Credit Societies	25000
(12)	Farming Societies	10000
(13)	Lift Irrigation Societies	10000
(14)	Industrial Societies	10000
(15)	Weavers Societies	10000
(16)	Housing Societies	10000
(17)	All other societies excluding above	10000
II	Societies at Taluka level	
(1)	Taluka co-operative Purchase and sale Societies	10,000
(2)	Taluka Co-operative Supervising Unions	500
(3)	Taluka level federal societies	10000
III	District Level Federal Societies	
(1)	District Marketing Societies	50000
(2)	District Wholesale Consumers Stores	100000
(3)	District and Divisional Level Federal Societies other than District Central Co-operative Banks and District Cooperative Agricultural and Rural Multipurpose Development Banks.	10000

III	State Level Federal Societies	50000
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(2) Any contravention of this rule shall be an offence under clause (q) of section 146 and the person concerned shall, on conviction, be punished under clause (q) of section 147.]

[[107D. Payments to be made by cheque. - All payments by or on behalf of a society or class of societies shall be made only by means of a crossed cheques drawn on a bank subject to provisions of the Income Tax Act, 1961 (43 of 1961).]]

[108. Contributions, fees and charges to be credited to Government. - When Government auditor is appointed by the society, all contributions made under sub-section (2) of section 90, all fees paid under sub-section (3) of section 108, charges levied under rule 74, shall be credited to the State Government.]

109. Communication of decision, award, etc. - Any order, decision or award required to be communicated under the Act or these rules shall, unless otherwise specifically provided in the Act or the Rules, be [sent] to the last address of the party as given by the party [***] and under intimation to the society, with instructions to display a copy thereof on its notice board.

110. Repeal of Bombay Co-operative Societies Rules. - The Bombay Cooperative Societies Rules, 1927 are hereby repealed, except as respects thing done or omitted to be done before the repeal thereof.

[Form 'A']
[See section 8 and Rule 4(1)]
Application for Registration of Society

Place :.

Date :

To,

The Special /Additional/Divisional Joint / Dist. Deputy/ Deputy/Assistant/Registrar,* Co-operative Societies,

We submit herewith a proposal for registration of the following society along with enclosures as indicated herein;

2. We also declare that the information given herewith, including that in the enclosures, is correct to the best of our knowledge: -

(1) Name of the proposed society**;

(2) Address to be registered;

(3) Whether liability is limited or unlimited;

(4) Area of operation;

(5) Objects of the society;

(6) The amount of preliminary expenditure incurred by the promoters till the date of application, and estimate of expenditure likely to be incurred by them thereafter with a view to getting the society registered.

(7) Language in which the books and accounts of the society will be kept.

Footnotes:

* Strike off whichever is not applicable

** The name of the society should not have any reference to any caste or religious denomination

3. We are sending four copies of the proposed by-laws signed by the applicants (not less than 10).

Serial No.	Full Name	Whether individual or corporate body	Age	Nationality	Profession
(1)	(2)	(3)	(4)	(5)	(6)
1.	Chief Promoter				
2.					
3.					

4.					
5.					
6.					
7.					
8.					
9.					
10.					
Place of residence, Ward/ village taluka and District	Amount subscribed to entrance fees	Amount subscribed to share capital	Whether signatory of the application is a member of his family	In the case of society, whether he is a member of the committee of that society	
(7)	(8)	(9)	(10)	(11)	

Name and address of the person to whom correspondence regarding registration or otherwise should be addressed

Signature

- | | |
|-------------------------|----------|
| 1. Chief Promoter | 6. |
| 2. | 7. |
| 3. | 8. |
| 4. | 9. |
| 5. | 10. |

Note :

(1) In the case of a representative of society, a copy of the resolution of the committee of that society authorising him to sign on its behalf, this application and by-laws should be enclosed with this application.

- (2) In the case of a corporate body, representative status of the signatory on behalf of the corporate body should be indicated.
- (3) The expression "Member of family" means a wife, husband, father, mother, son, daughter, son-in-law, and daughter-in-law.

Enclosures :-

- (1) Bank balance certificate.
- (2) List of persons who have contributed to the share capital together with the amount contributed by each of them and the entrance fee to be paid by them.
- (3) The scheme showing the details as to how the working of the society will be economically sound, and where the scheme envisages the holding of immovable property by the society, giving description of immovable property proposed to be purchased, acquired or transferred to the society.
- * (4) A copy of the resolution authorising a member of the committee of the registered society to sign the application on behalf of the society.
- ** (5) A copy of the document authorising any person to sign the application on its behalf issued by a firm, company or other corporate body, a society registered under the Societies Registration Act, 1860 or a public trust registered under any law for the time being in force relating to registration of public trusts.

Sent by registered post on /Delivered by hand by to/in the office of the Assistant Registrar/Deputy Registrar/District Deputy Registrar/Divisional Joint Registrar/Additional/Special Registrar/Registrar, under the Societies Registration Act, 1860 or a public trust registered under and law for the time being in force relating to registration of public trusts.

Sent by registered post on /Delivered by hand by to/in the office of the Assistant Registrar/Deputy Registrar/District Deputy Registrar/Divisional Joint Registrar/Additional/Special Registrar/Registrar,
(Chief Promoter)

Received by registered post/hand delivery on by in the office of the Assistant Registrar/Deputy Registrar/District Deputy Registrar/Divisional Joint Registrar/Additional/Special Registrar/Registrar, Entered in the register of registration proposals at Serial No

.....
(Signature of the officer receiving the application)

Footnotes:

- * To be forwarded when any member of the society to be registered is itself a registered society
- ** To be forwarded when any member of the society to be registered is a firm, company or other corporate body, a society registered under the Societies Registration Act, 1860 or a public trust registered under any law for the time being in force relating to registration of public trusts.

Acknowledgement

Received Registration proposal No. onfor the registration
of..... Society from the Chief Promoter Shri
.....

Place :

Date :

(Assistant Registrar/Deputy Registrar
/District Deputy Registrar/Divisional Joint Registrar/
Additional Registrar/Special Registrar/Registrar)

FORM 'B'

[See section 9 and Rule 5(1)]

Register of applications for registration received in the office
of the Registrar /Special/Additional/Joint/Deputy/Assistant Registrar

Serial No.	Name of the proposed society	Place village, Ward/ Taluka and District	Date of Receipt	Date of acknowledgement	How received (by post/ hand delivery)	No. and date on which additional information is called
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Prescribed date by which information is called	Date on which information received	No. and date of the report, if any, sent Government if the society is not registered within two months	No. and date of registration	Initials of order which registration is refused	Remarks	
(8)	(9)	(10)	(11)	(12)	(13)	

Form 'C'
[See Rule 6]
Report to Government

To
The Additional Chief / Principal / Secretary to Government.
.....Department, Mumbai.

Subject: -----
Report regarding Registration proposal

I have received a proposal for registration of.....society,
ward/village.....taluka.....districton
..... It may not be possible to dispose of this registration proposal within a period of
two months as laid down under section 9 (i) of the Maharashtra Co-operative Societies Act,1960
for the following reasons, that is to say:-

- (1) The promoter have not given in formation called for from them within the specified time.
- (2) The promoters have not been able to collect the share capital which is necessary for the
successful working of the society.
- (3) Details regarding immovable property proposed to be purchased/acquired/transferred to
the society are not given by the promoters.
- (4) The concurrence of other departments regarding the feasibility of the scheme has not been
received.
- (5) The promoters have not been able to give detailed working of the scheme which they
propose to implement.
- (6) Any other reasons.

2. In the circumstances, I would request that Government may please be moved to allow me to
register the society after the above requirements is /are fulfilled within a further period up to.

.....
Assistant / Deputy / District Deputy / Divisional
Joint/ Addition/ Special Registrar of
Co-operative Societies.

Submitted through the District Deputy/Divisional Joint/Additional/Special Registrar/ Registrar of
Co-operative Societies for onward transmission to Government.

Note : The reasons for delay to be given in the body of the letter should be self-explanatory. Any
other reasons, if any, for the delay in registering of the society should also be mentioned.

Form 'E'
[See section 14 and rule 13(1)]
Notice under rule 13(1)

Registered Post A.D.

To,
The Chairman,
.....Co-operative Society,

Sir,

It appears to me that an amendment / amendments of the by-laws of your society as indicated in the attached statement in Annexure-1 is / are necessary and that it / those is /are desirable in the interest of your society.

I am to request you to consider this / these amendment / amendments in the interest of your society and to call upon you by this notice under Rule 13 (1) of the Maharashtra Co-operative Societies Rules,1961, to take necessary steps to make the amendments to the by-laws of your society within ... days from the date of receipt of this notice, failing which action will be taken as provided under Section 14 (2)of the Maharashtra Co-operative Societies Act,1960.

Yours faithfully,

No.

Registrar of
Co-operative Societies.

Date.....



Annexure - '1'

Statement accompanying notice under section 14 and rule 13(1)

Serial No.	The exact wording of existing by-law	By-law as it would read after amendment	Exact wording of by law, if it is a new one	Reasons why amendment is considered necessary
(1)	(2)	(3)	(4)	(5)

----- Registrar of Co-operative Societies,

Form `F'
[See section 14 and rule13(3)]
Notice under rule13(3)

To,
The Chairman,
..... Co-operative Society,

Sir,

Whereas you were called upon to make amendment to the by-laws of your society as per this office notice No. dated and whereas you have failed to make the amendment within the time specified therein, you are hereby called upon to show cause in writing within ... days from the receipt of this notice as to why the proposed amendment of your by-laws as indicated in this office notice referred to above should not be registered. If you desire to be heard in person, you may attend or send your representative duly authorised on at a.m. / p.m. in my office and put your defence before me, if any.

If you fail to send your written statement or your representative on the date specified above or if your statement is found unsatisfactory, necessary further action according to the provisions of Section14 (2) of the Maharashtra Co-operative Societies Act, 1960 will be taken.



Yours faithfully,
..... Registrar of
Co-operative Societies,

Copy to : The Chief Executive Officer/ Managing Director/ Manager/ Secretary
Co-operative Society Ltd.,
No.
Date
Place

Form 'G'

[See section 14 and rule 16(3)]

Notice to members, creditors and other persons whose interests will be affected by the amalgamation/transfer of assets and liabilities/conversion/division

Notice is hereby given as required by clause (o) of the proviso to sub-section (j) of Section 17 of the Maharashtra Co-operative Societies Act, 1960, by the..... Society registered under No., dated and having its registered office at to all members / creditors / persons interested that the society, after obtaining the approval of the Registrar and a preliminary resolution to that effect having been passed by a special general meeting of the society held on has decided to amalgamate itself with society; convert itself into society; divide itself into (1).. (2).....societies, transfer its assets and liabilities to..... society. The details regarding the transfer of liabilities of the society to be amalgamated, transferred, converted or divided are given in the Schedule given below:-

I. Applicable to societies amalgamating, transferring assets and liabilities or converting-

- (1) Name of the society or societies;
- (2) Statement showing the assets and liabilities of the society (to be enclosed);
- (3) Names of members and creditors.

N.B :- Information should be given separately in respect of each society which is affected by the amalgamation, transfer of assets and liabilities or conversion.

II. Applicable to societies to be divided-

Particulars of (1).....Society

- (1) Name of the society;
- (2) Present area of operation;
- (3) Statement showing assets and liabilities(to be enclosed);
- (4) Names of members;
- (5) Names of creditors.

III. Applicable to societies which will stand divided-

(a) Particulars of (1).....Society

- (i) Assets and liabilities which will remain with the society after division (statement to be enclosed)
- (ii) Proposed area of operation
- (iii) Names of members who will remain with the society
- (iv) Names of creditors who will remain with the society

(b) Particulars of (2).....Society

- (i) Assets and liabilities which will remain with the society after division (statement to be enclosed)

(ii) Proposed area of operation

(iii) Names of members who will remain with the society

(iv) Names of creditors who will remain with the society

1. Any person whose interest is affected by the proposed amalgamation, transfer of assets and liabilities, division or conversion may send his objections, if any, and give intimation of his option to become a member of any of the new societies / to continue his membership in the amalgamated or converted society / to demand payment of share or interest or dues, to the office of the society within one month from the date of this notice.

2. If no option is exercised and if no objection is received within one month, it will be assumed that the interested persons have assented to the decision.

Place :

Date :

Board Secretary / Honorary Secretary/

Chief Executive Officer

By order of the Board/ Managing Committee

.....
Co-operative Society Ltd.

Form 'H'

[See section 19 and rule 18 (1)]

Application for reconstruction of a society

To

TheRegistrar of Co-operative Societies,

In the special general meeting of Society
at.....Taluka.....District.....called for the purpose of reconstruction
of the society, the society has approved a compromise / arrangement with its creditors and / or
members on the following lines :---

- (1) By reducing the claims of creditors ;
- (2) By reducing the value of the share capital ;
- (3) By revaluation of assets.

A detailed scheme worked out on the above lines is enclosed with a copy of the resolution passed
by the special general meeting of the society referred to above.

We would request that the scheme of reconstruction of the society may please be approved and
orders issued to that effect.

Chairman/Member/Creditor/Liquidator,

..... Co-operative Society

Form 'H-1'

(See section 23 and rule 19A)

Form to be used by the eligible person for giving application for membership of a society under sub-section 23 (1A) of the Maharashtra Co-operative Societies Act, 1960

To

The Chairman,

----- Co-operative Society,

(Through: the Special / Additional Registrar/ Divisional Joint Registrar / District Deputy Registrar/ Deputy Registrar/ Assistant Registrar, Co-operative Societies).

Sir.

I, the undersigned Shri/Smt.....(Full name of the applicant), hereby apply for the membership of your society, I furnish below the following particulars about me:-

1. Full name beginning with Surname
2. Address (Residential)
3. Occupation/Service/Business/Profession.
4. Address (Service/Business/Profession).
5. Age on date of application.
6. Class of membership applied for (associate, nominal).
7. Nationality.
8. Amount of share money and entrance fee tendered with the application (cross cheque, pay order and Demand Draft).
9. Particulars of agricultural land / Non-agricultural land held by family as owner or as tenant (whatever it is applicable).
10. Particulars as to membership of other Co- operative Society/Societies, if any, together with information about outstanding dues or overdues, if any, in the society/societies.
11. Date of making application to the society and reason if any for not accepting the application by the society if known.
12. I undertake to furnish any other information as may be required under the bye-laws of the society.

I hereby state that I need the services of the society and further state that I have made myself aware of the provision of the bye-laws of the society, and I agree to be bound by them in all matters relating to my transactions with the society.

Name of the Applicant and Signature

Date	Cash book folio	Date	Cash Book folio or shares transfer register No.	Particulars of shares transferred or surrendered						Signature
				No. of shares transferred	Serial No. of share certificates	No. of shares transferred or refunded	Balances			
							No. of shares held	Serial No. of share certificates	Amount	
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)

Form 'J'

(See section 39 and rule 33)

List of Members of Society Limited/Unlimited

Serial No.	Full name of the Member	Address	Class of Member
(1)	(2)	(3)	(4)

Signature

[Form J-1]

(See section 26 and rule 33)

List of Active members of ----- Society Limited/ Unlimited.

Serial No.	Full name of the Member (surname first)	Postal Address and email address	Date of Classification as Active member
(1)	(2)	(3)	(4)

Signature

Note. - All pages of list shall have seal and signature of the competent authority of the society.

Form J-2

(See section 26 and rule 33)

List of Non-active members of ----- Society Limited/Unlimited.

Sr. No.	Full name of the Member (surname first)	Postal Address and email address	Date of Classification as Non-active member
(1)	(2)	(3)	(4)

Signature

Note. - All pages of list shall have seal and signature of the competent authority of the society.]

[Form 'K']

[See rule 45(1)]

Declaration under rule 45(1)

I.....of..... am / have become a member of more than one credit society, names of which are given below :-

*(1)

*(2)

*(3)

*(4)

I do hereby declare as required by Rule 45 of the Maharashtra Co-operative Societies Rules, 1961 that I shall borrow only from..... Society Ltd.,.....

Place.....

Date.....

Witness to Signature

Signature

Footnotes:

*Here insert the name of the society.

[Form 'L']

[See section 43 and rule 48(1)]

Declaration under section 43

I.....(age.....) residing at..... having been admitted to the membership of.....society with Limited being desirous of borrowing loan from the society liability and make this Unlimited having borrowed loan from the society before, declaration as required by Section 48(a) /48 (b) of the Maharashtra Co-operative Societies Act. 1960, that I ownhave interest as a tenant in land, I and specified in the Schedule, and I hereby create a charge on the said land Interest in favour of the society for the payment of the..... may make amount of the loan which the society and for all future advances, if any, which has made the society may make to me subject to the maximum amount of Rs..... together with interest on such amount of the loan and advances.

Schedule

Name of Village	Name of Taluka	Name of District	Survey No.		Boundaries			Area	
			City Survey No.						
			Plot No.	Plot Hissa	South	North	Acre	Gunthas	
East	West								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Assessment		Approximate			Encumbrances, if any		Remarks, if		
Rupees		Naye Paise	value	Nature	Amount		any		
(10)		(11)	(12)	(13)	(14)		(15)		

In witness whereof. I. Shri.....hereunder set my hand thisday of.....,in the year one thousand nine hundred and.....

Witnesses

Signed and delivered by the above named in the presence of:-

- (1)
- (2)

Applicants -----
Signature Borrowers
Attested by

Forwarded with compliments to the Village Officer with a request to include the particulars of the charge created under the declaration in the Record of Rights and to return to the society for its record.

Chairman, Secretary,
.....Society

Returned with compliments to the Chairman.....Society,
Limited/Unlimited. The charge created under the declaration is duly included in the Record of Rights on the.....day of.....20

Village Officer.

[Form M-1]

[See Rule 56A (2)]

Register showing the names of notified co-operative societies to be maintained by the Registrar, Co-operative Societies, District Election Officer regarding particulars of last elections of Committee, date of first meeting, etc.

Serial No.	Name of the society with Room Number and full address	Strength of M.C. members provided			Total strength of M.C. members to be elected		Date on which last election was held	Date on which notification Under Section 73(3) was issued
		Bye-law	Name of Constituency	No. of M.C. members to be elected	No. of constitution	No. of members		
1	2	3	4	5	6	7	7A	

Date of first meeting of elected M. C. members as per Column No. 7	Particulars about tenure Under bye-law No.	Date by which the term of present committee in office will expire	Names of elected M.C. members in office constituency-wise		Remarks
			Name of constituency	Name of M.C. members with address	
8	9	10	11	12	13

[Form M-2]

[See Rule 56A (3)]

Form of report to be handed over personally by the Chairman or Vice-Chairman of the notified society on or before 30th September of the proceeding calendar year in which the term of the office of the Managing Committee expires, to the Registrar, Co-operative Societies

Serial No.	Name of notified Co-operative Society with Registration No. and Address	Date of result which last election of Managing Committee was held declared	Date of notification by Registrar under Section 73(3)	Date on which first meeting of M. C. members was held	Term of M.C. members provided vide bye-law No.
1	2	3	3-A	4	5
Date on which term of present M. C. members in office to expire	Names of constituencies as per bye-law	No. of M. C. members to be elected against each constituency	Total No. of M.C members to be elected (quote bye-law No. also)	Remarks	
6	7	8	9	10	

- Note.** - (1) The certificate from the Chairman of the society to the effect that submission of provisional voter's list will follow within 7 days.
- (2) That the concerned society of which term of M.C. is to expire shall prepare provisional voter's list of the members prior to that date and on or before expiry of 180 days as per sub-rule 7 of these rules.
- (3) That the Chairman or Vice-Chairman shall be required to certify about the information furnished in the above proforma as corrected and derived from the records of the society.
- (4) The particulars to be included in the provisional voter's list shall be according to Rule No. 58 (11) (i), (ii), (iii) of these rules.

[Form M-3]

[See Rule 56K]

Office of the Returning Officer,(Present office designation shall be mentioned).....Name of the Co-operative Society..... Limited, Tahsil..... District No

In exercise of the powers conferred by Rule 56K(1) and (2) and for the Election of the M.C. members of aforesaid Co-operative Society as declared by the Government of Maharashtra, under Section 73-I-C of the Maharashtra Co-operative Societies Act, 1960, I.....(official designation) and the Returning Officer appointed to conduct election of M.C. Members Society Ltd., Tahsil..... District with the prior approval of the District Election Officer, or (state as the case may be) hereby draw and declare a programme of various stages of election for electing the member/members of Managing Committee of the notified co-operative society, known as Ltd., Tahsil Districtand appoint in relation to the election by the constituency or constituencies specified in Col. 1 of the Schedule hereto (hereinafter referred to as "the respective constituency"):-

- (a) The dates mentioned in Col. 2 of the said schedule against the respective constituency to be the last date and the time shown in the said column against the respective constituency to be the time for making nomination in relation to the respective constituency, and also the place specified in Col. 2 against the respective constituency to be the place from which the nomination paper can be obtained.
- (b) The dates and time mentioned in Col. 3 of the said schedule against the respective constituency to be the date and time and place for publication of nominations received.
- (c) The date and time mentioned in Col. 4 of the said schedule against the respective constituency to be the date and time and place for the scrutiny of nomination in relation to the respective constituencies.
- (d) The date, time and place specified in Col. 5 of the said schedule against the respective constituency to be the date, time and place for publication of list of valid nominations after scrutiny.
- (e) The date, time and place specified in Col. 6 of the said schedule against the respective constituency to be the date, time and place for withdrawal of nomination in relation to the respective constituency.
- (f) The date, place and time specified in Col. 8 of the said schedule against the respective constituency to be the date, place and time during which election to the members of Managing Committee of Society Ltd., shall be held (i.e., Date of poll).
- (g) The date, time and place specified in Col. 9 of the said schedule against the respective constituency to be the date and time for the counting of votes.

Serial Number of voter as per voter list	Name of the voter	Signature or thumb impression of the voter and	Name of identifier, if any	Number of person challenging
1	2	3	4	5
Amount deposit made	Date of publication of final list of contesting candidates	Date on which, time daring which and the place at which the poll shall be taken	Date, time and place for counting of votes	Date of declaration of result of voting
6	7	8	9	10

N.B. - (1) The date, time and place shall be specified in the respective column and for each and every event as necessary while drawing such programme as provided in sub-rule (20) of these rules.

(2) The Returning Officer shall declare the election programme drawn under sub-rule (20) of these rules at the places and shall display the same as provided under sub-rule (21)(a)(b) of these rules.

[Form M-4]

[See Rule 56M (2)]

Form of Nomination Paper

Election to the..... Co-operative Society Ltd.....

Tahsil ... District

(To be filled by the Proposer)

I hereby nominate Shri/Smt as a candidate for election from the constituency.

1. Name of the constituency

2. Name of candidate

(father's/husband's name)

3. Age

4. Full postal address of the candidate

5. Name of the constituency: -

- (i) In a constituency having a reserved seat, state the particulars of the caste or tribe or the weaker section to which the candidate belongs.
- (ii) The name of the constituency in which the name of the candidate Is entered as a voter in the list of voters.
- (iii) Serial Number of the candidate in the list of voters of the constituency aforementioned in which his name is entered as a voter.
- (iv) Name of the proposer
- (v) Serial Number of the proposer in the list of voters of the constituency.

Signature of the proposer

Name of the seconder Shri/Smt, serial number of the seconder in the list of voters of the constituency

Signature of the seconder

Declaration by candidate

I hereby signify my willingness to serve as a member of the committee of the society, if I am elected.

Date :

Signature of the candidate

Declaration to be made by the Scheduled Castes, Scheduled Tribes or weaker section candidate

I hereby declare that I am a member of the Caste/Tribe which is a Scheduled Caste/Tribe in relation to the State of Maharashtra or a weaker section, within the meaning of Section 73-B of the said Act.

Signature of the candidate.

Declaration as to choice of symbol

I do hereby declare that the symbols which I have chosen for my election are shown below in the order of my preference :-

(1)

(2)

(3)

Signature of candidate

Serial number of nomination paper This nomination was delivered to me at my office at..... (hour) on (date) by the Candidate/Proposer of the Candidate.

Date :

Signature of Returning Officer

Decision of Returning Officer accepting or rejecting the nomination paper

I have examined this nomination paper in accordance with Rule 58-A(27) of the Maharashtra Specified Co-operative Societies Election to Committee's Rules and decide as follows :-

Date :

Signature of Returning Officer

Receipt for Nomination paper and notice of scrutiny

(To be handed over to the persons presenting the nomination paper)

Serial number of Nomination paper The nomination paper of a candidate for election from the constituency of Co-operative Society Ltd., was delivered to me at my office at (hour) on..... (date) by

Candidate/Proposer of candidate.

All nomination papers will be taken up for scrutiny at..... (hour) on (date) at

Place :

Date :

Signature of Returning Officer

[Form M-5]

[See Rule 56V]

Final List of contesting candidates

Election to the Managing Committee member ofCo-operative Society Ltd.
Tahsil District from the constituency.

Serial No.	Name of the Candidate	Address of the candidate	Symbol allotted to the candidate
(1)	(2)	(3)	(4)
	Name of the Constituency		
(1)			
(2)			
(3)			
etc.			
	Name of the Constituency		
(1)			
(2)			
(3)			
etc.			

Signature of the Returning Officer

Place :

Date :

[Form M-6]

[See Rule 56V(1)]

Appointment of Polling Agents

Election to the Managing Committee members of Cooperative Society Ltd..... Tahsil. District from constituency.

N.B. - (1) Names shall be arranged in alphabetical order of surname, if no surname then first name and for other particulars see Rule 58-A(ii), (a), (b) of these rules, etc.

(2) Publication of the list of contesting candidates shall be made on the notice board of the office of the Returning Officer.

To

The Returning Officer /The Presiding Officer I, a candidate of the present election do hereby request you that I have appointed Shri as Polling Agent to attend Polling Station/Polling Booth No of Polling Station at.....

Date :

Signature of the Candidate.

I agree to act as Polling Agent

Date :

Signature of the Polling Agent.

Declaration of the Polling/Counting Agent to be signed before the Returning/Polling Officer

I hereby declare that I will not at this election for.....

(name of constituency)

constituency do anything forbidden by the Act, or these Rules or bye-laws thereunder.

Date :

Signature of the Polling/Counting Agent,

Signed before me,

Date :

Returning Officer/Polling Officer

[Form M-7]

[See Rule 56V(3)]

Common form for appointment of Polling Agents and also to work as Counting Agents

Election to the Managing Committee members of. Co-operative Society Ltd.,... Tahsil, District..... for the..... Constituency.

To
The Returning Officer/Presiding Officer

I....., candidate of present election do hereby request you that I have appointed Polling Agents at Polling Station No, Place as under for the poll to be held on These Polling Agents shall also work and act as Counting Agents at the same of counting of votes on.....

1. Shri., Address.....

2. Shri Address.....

Date :

Signature of the candidate

I agree to act as Polling/Counting Agent

Date :

Signature of the Polling/Counting Agent

N.B. - The form duly filled and signed by the candidate shall be presented in duplicate.

Declaration of Polling/Counting Agent to be signed before the Returning Officer/Polling Officer

I hereby declare that I will not/at this election for (name of constituency) do anything forbidden by the Act, or these Rules or bye-laws thereunder.

Date :

Signature of the Polling/Counting Agent

Signed before me

Date :

Returning/Polling Officer

[Form M-8]

[See Rule 56V (4)]

Appointment of Counting Agents

Election to the Managing Committee members of. Cooperative Society Ltd.,..... Tahsil,, District..... from..... constituency.

To

The Returning Officer,

.....

I..... , a candidate for the present election do hereby request you that I have appointed :-

1. Shri Address

2. Shri Address

as Counting Agents to attend the counting work on..... (date) at.....(place) at..... (time).

Date :

Signature of the Candidate

I agree to act as Counting Agent

Signature of the Counting Agent.

N.B. :- (1) Not more than two counting agents shall be appointed.

(2) This form duly filled in and signed by the candidate shall be presented to the Returning Officer in duplicate.

Declaration of Polling/Counting Agent to be signed before the Returning/Polling Officer

I hereby declare that I will not do anything forbidden by the Act or these Rules or bye-laws thereunder at this election for....

(name of constituency)

of.

(name of society).

Date :

Signature of the Polling/Counting Agent

Signed before me.

Date :

Returning/Polling Officer

[Form M-9]

[See Rule 56-X]

Form of declaration of result of uncontested election

..... Co-operative Society Ltd.....(name of society)

Tahsil, District election

for.....constituency for the period (year).

(name of constituency)

Year of election

In pursuance of the provisions contained in sub-rule (31) of Rule 58-A of the Maharashtra Co-operative Societies Rules, 1961, I declare that

Shri/Smt..... has/have been duly

(name of candidate(s)/ addresses)

elected to fill in the seat/seats in the above constituency as he was /they were the only uncontesting candidate(s) from the constituency.

I also certify and declare that the above mentioned relevant No. of seats to be elected to form the Managing Committee are duly elected.

Place :

Date :

Signature of the Returning Officer

N.B.:-In case Returning Officer himself is not the District Election Officer, he shall send a copy of this form duly signed to the District Election Officer.

[Form M-10]

[See Rule 56 A-1]

Form of Ballot Paper

..... Co-operative Society Ltd Tahsil
..... District Election for constituency,
(Period in year)
(Name of Constituency).....Year of election.....

Name of the Candidate	Symbol assigned	Place of marking

[Form M-11]

[See Rule 56A-6(2)]

List of challenged votes

Election to the Co-operative Society Ltd (name of society)

Tahsil District

Name of Constituency :

Polling Station (Place)

No. of Polling Station, if any

Place :

Serial Number of voter as per voter list	Name of the voter	Signature or thumb impression of the voter and his address	Name of identifier, if any	Number of persons challenging
1	2	3	4	5
Amount deposit made	Order of Presiding Officer in each case	Signature of challenger acknowledging receipt of deposit when it is returned	In case deposit not returned, the remarks of Presiding Officer	
6	7	8	9	

Date :

Signature of Polling Officer

[Form M-12]

[See Rule 56A-11(1)]

Form of declaration by companion of blind or infirm voter

Election to the Co-operative Society
(name of society)

LtdTahsil District from the constituency.
(name of constituency)

No. and name of Polling Station :

I agedresiding at .
..... hereby declare that:-

- (a) I wish to act as companion of Shri/Smt who is a blind /infirm voter at the above election and whose name is in the voters list at Sr. No
- (b) I have not already acted as the companion of any other voter at my polling station on this day.
- (c) I will keep secret the vote recorded by me on behalf of the voter aforesaid.

Place :

Date :

Signature of the companion

[Form M-13]

[See Rule 56A-11(2)]

List of Blind and Infirm voters

Election to the Co-operative Society
(name of society)

Ltd, Tahsil District from the.....
constituency.

(name of constituency)

No. and name of Polling Station:

Serial No. of Voter	Full Name of Voter	Full Name of Companion	Address of Companion	Signature or thumb impression of Companion

Place :

Date :

Signature of Polling Officer

[Form M-14]

[See Rule 56A-13(2)1

Tendered Voters List

Election to the Co-operative Society Ltd.,.....(name of society)
Tahsil District

(i) Name of Constituency

(ii) Polling Station (Place) :

(iii) No. of Polling Station, if any :

Serial number of the entry	Name of the Voter	Serial No. of the voter in the list of voters	Address of the voter	Serial No. of tendered ballot paper	Serial No. of ballot paper issued to the person who has already voted	Signature or thumb impression of the voter
1	2	3	4	5	6	7

Place :

Date :

Signature of Polling Officer

[Form M-15]

[See Rule 56A-16(1)]

Ballot Papers Account

Election to the Co-operative Society LtdTahsil
District from the constituency.

(name of constituency)

No. and Name of Polling Station		S. Nos.	Total Nos.
(i)	Number of ballot papers received by the Presiding Officer at the Polling Station and, if the Polling Station has more than one booth, at each booth.		
(ii)	Number of ballot papers issued to voters		
(iii)	Number of unused ballot papers (returned)		
(iv)	Number of ballot papers cancelled		
(v)	Number of tendered ballot papers (used)		

Place :

Date :

Signature of Presiding Officer

Note: - If a Polling Station has more than one polling booth, separate account in this form be attached in respect of each of such polling booth.

[Form M-16]

[See Rule 56A-24(2)]

Form of Result Sheet

Election to the Co-operative Society
(name of society)

LtdTahsil..... District from the..... constituency.
(name of constituency)

Poking Station		No. of valid votes		Number of		
Serial No.	Name of polling station	Cast in favour of A.B.C. etc	Valid votes	Rejected votes	Total votes at polling station	No. of tendered votes
Total No. of votes recorded at Polling station(s).....						

Place :

Date :

Signature Returning Officer

[Form M-17]

[See Rule 56A-29]

Form of declaration of result and publication of names of member of the Committee

(Return of Election)

Election to the Co-operative Society

(name of society)

Ltd.,... Tahsil..... District

(i) Election for.....(period)

(ii) Name of constituency

Name of candidate	No. of valid votes polled by the candidates
1.	
2.	
3.	
etc.	
Total No. of valid votes :	
Total No. of invalid votes :	
Total No. of tendered votes :	

I declare that

(name).....

(address)..... has been duly elected.

Signature of Returning Officer

[[Form M-18]]

[See rule 57A(1)]

Form of Requisition to call Special Meeting of the Committee to consider Motion of No Confidence

Place :

Date :

To

The.....Registrar of Co-operative Societies,
We, the undersigned members of the Managing Committee of the..... Society Limited, hereby request you under sub-section(2) of Section 73ID of the Maharashtra Co-operative Societies Act, 1960 to call a special meeting of the Managing Committee of the said Society to consider the motion of No Confidence against Shri/Smt President / Vice President / Chairman / Vice-Chairman /Secretary / Treasurer / any other Officer of the said Society.

2. A copy of the motion proposed to be moved is enclosed.

3. The motion will be moved by Shri / Smt.....

	Names	(Signatures)
1.		
2.		
3.		
4.		
5.		

and further if required.

Yours,

	Name	Signature
1)
2)
3)
4)
5)

[Form M-19]

[See Rule 57A(7)]

**Certificate regarding the result of the requisitioned special meeting of the Committee of
.....Co-operative Society in respect of No Confidence motion**

I. Shri/Smt..... Registrar of Co-operative Societies hereby certify that the requisitioned special meeting of the Managing Committee of.....Co-operative Society Limited took place/(did not take place) onat hrs. The following resolution is carried in this meeting :.....

This certificate is issued by me on..... at Presiding Officer
..... Registrar of Co-operative Societies

Presiding Officer.
Registrar, Co-operative Societies,
.....

[*]**

[Form N]

[See section 75 and rule 62(1)]

Balance Sheet

Instructions in accordance with which liabilities should be made out	Liabilities		
	Figures for the previous year		Figures for the current year
(1)	(2)	(3)	(4)
	Rs.		Rs.
I, Contributed by Government and by Co-operative Societies and different classes of individual members shall be shown separately. Terms of redemption or conversion of any redeemable preference shares should be mentioned.		I. Share Capital – Authorised: shares of Rs.....each Subscribed: (distinguishing between the various classes of capital and stating the particulars specified below, in respect of each class). Shares of..... each Less: Calls in arrears Add: Calls in advances	
		I-A. Subscription towards shares	
		II. Reserve Funds and other Funds:	
II. (a) Statutory Reserve Fund and other reserves and funds shall be shown separately.		(a) Statutory Reserve Funds	
(b) Additions and deductions since last Balance Sheet to be shown under each of the specified head.		(b) Building Funds	

(c) Funds in the nature of reserves and funds created out of any profits for specific purposes should be Shown separately		(c) Special Development Fund	
		(d) Bad and Doubtful Debts Reserve	
		(e) Investment Depreciation Fund	
		(f) Dividend Equalisation Fund	
		(g) Bonus Equalisation Fund	
		(h) Reserve for overdue interest	
		(i) Other Funds	
III. Staff Provident Funds and any other insurance or Bonus funds maintained for the benefit of the employees should be shown separately.		III. Staff Provident Fund:	
Assets		Instructions in accordance with which assets should be made out	
Figures for the previous year			
(5)	(6)	(7)	(8)
Rs.		Rs.	
	I. Cash and Bank balances: (a) Cash on hand (b) Cash in banks : (i) Current Account (ii) Savings Banks Account (iii) Call Deposits on Banks		I. Fixed deposits and call deposits with Central Banks and other approved bankers should be shown under the heading "Investments** and not under the heading "Cash and bank balances".

	<p>II. Investments:</p> <p>(a) Government Securities</p> <p>(b) Other Trustee Securities</p> <p>(c) Non-Trustee Securities</p> <p>(d) Shares of other co-operative Societies</p> <p>(e) Shares, Debentures or Bonds of companies registered under the Companies Act.</p> <p>(f) Fixed Deposits.</p>		<p>II. The nature of each investment and the mode of valuation (cost of market value) should be mentioned</p> <p>If, the book value of any security is less than the market value, a remark to that effect should be made against each item.</p>
	<p>III. (1) Investment of Staff Provident Fund</p>		<p>III. Quoted and unquoted securities should be shown separately.</p>
	<p>(2) Advances against Staff Provident Fund.</p>		
<p>Instructions in accordance with which liabilities should be made out</p>	<p>Liabilities</p>		
	<p>Figures for the previous year</p>		<p>Figures for the current year</p>
<p>(1)</p>	<p>(2)</p>	<p>(3)</p>	<p>(4)</p>
	<p>Rs.</p>		<p>Rs.</p>
<p>IV. The nature of the security should be specified in each case. Where loans have been guaranteed by Government or State Co-operative or Central Banks, a mention hereof should also be made together with the maximum amount of such guarantee. Loans from (1)Government, (2) State Cooperative Bank or Central Bank, State Bank of India and other Banks should be shown separately.</p>		<p>IV. Secured Loans:</p> <p>(a) Debentures</p> <p>(b) Loans, overdrafts and cash credits from banks.</p> <p>(c) Loans from Government</p> <p>(d) Other secured loans</p>	

V.		V. Unsecured Loans : (a) Loans, cash credits and overdrafts from Central Banks (b) From Government (c) From others (d) Bills payable	
VI. Deposits from societies and individuals should be shown separately.		VI. Deposits : (a) Fixed Deposits (b) Recurring Deposits (c) Thrift or Saving Deposits (d) Current deposits (e) Deposits at call (f) Other deposits (g) Credit balance in cash credit and overdraft accounts	
VII.		VII. Current Liabilities and Provisions: (a) Sundry creditors (b) Outstanding creditors	
Assets		Instructions in accordance with which assets should be made out	
Figures for the previous year		Figures for the current year	
(5)	(6)	(7)	(8)
Rs.		Rs.	
	IV. Loans and Advances:		IV. In case of Central Banks and other federal society's loans due by societies and individual members should be shown separately.
	1. (a)Loans (b)Overdrafts (c)Cash credits (i) against pledge of goods		

	(ii) against hypothecation of goods (iii) clean (of which overdue		
	2. Loans due by Managing Committee Members Rs..... Loans due by Secretary and other employees Rs.		
	V. Sundry Debtors: (1) Credit sales (2) Advances (3) Others	-----	
	VI. Current Assets: (1) Stores and spare parts (2) Loose tools (3) Stock-in-trade (4) Works in progress		VI. Mode of valuation and stock shall be stated and the amount in respect of raw materials partly finished and finished goods and stores required or consumption should be stated separately. Mode of valuation of works in progress shall be stated.
	VII. Fixed Assets: (a) land and building (b) Lease holds (c) Railway siding		VII. Under each head of the original cost and the additions thereto and deductions there form made during the year and total
Instructions in accordance with which liabilities should be made out		Liabilities	
	Figures for the previous year		Figures for the current year
(1)	(2)	(3)	(4)
	Rs.		Rs.
		(i) for purchases	

		(ii) for expenses including salaries of staff, rent, taxes, etc. (c) Advance, recoveries for the portion for which value has still to be given, viz. unexpired subscriptions, premiums, commission, etc.	
VIII.		VIII. Unpaid Dividends:	
IX.		IX. Interest accrued due but not paid:	
X.		X. Other Liabilities (to be specified)	
XI. Contingent liabilities which have not been provided for should also be mentioned in the Balance Sheet by way of a foot note.		XI. Profit and Loss Account Profit for last year: Less: Appropriations Add: Current profits	
Assets			Instructions in accordance with which assets should be made out
Figures for the previous year		Figures for the current year	
(5)	(6)	(7)	(8)
Rs.		Rs.	
	(d) Plants and Machinery (e) Loose tools, tackles and other equipments (f) Dead stock (g) Furniture and fittings (h) Livestock (i) Vehicles		
	VIII. Miscellaneous expenses and losses:		-----

	(1)Goodwill (2)Preliminary expenses (3)Expenses connected with the issue of shares and debentures, including underwriting charges, brokerage, etc. (4)Deferred revenue expenditure		
	IX. Other items: (a)Prepaid expenses (b)Interest accrued but not due (c)Other items(to be specified) depreciation on written of or provided up to the end of the year should be stated.		-----
	X. Profit and Loss Account: Accumulated losses not written off from the reserve or any other fund.		-----
	XI. Current losses	-----	

Signature,

Chairman,

Vice-Chairman,

Managing Director

..... Co-operative Society, Ltd.....

Profit and Loss Account
[See section 75 and rule 62(1)]

Last year's figures	Expenditure	This year's figures	Last year's figures	This year's figures
Rs.nP		Rs.nP	Rs.nP	Rs.nP
	(1) Interest: (a)Paid. Rs.		(1) Interest Received:	

(b) Payable Rs.	(a) On loans and advances (b) On investments
(2) Bank Charges	(2) Dividend received on shares
(3) Salaries and Allowances ... of Staff	(3) Commission
(4) Contribution to Staff Provident Fund	(4) Miscellaneous income: (a) Share Transfer fees (b) Rent (c) Rebate in interest (d) Sale of forms (e) Other items
(5) Salary and Allowances of ... Managing Director	(5) Land Income and Expenditure accounts
(6) Attendance fees and travelling expenses of Directors and Committee Members	
(7) Travelling expenses of staff...	
(8) Rent, rates and taxes	
(9) Postage, Telegram and Telephone charges	
(10) Printing and Stationery	
(11) Audit fees	
(12) (Contingencies) General expenses	
(13) Bad Debts written off or ... provision made for bad debts	
(14) Depreciation on fixed assets...	

(15) Land Income and
Expenditure account

(16) Other items

(17) Net Profit carried
to Balance Sheet

Note - In the case of marketing societies, consumers' societies and similar other societies which have undertaken trading activities, the Profit and Loss Account shall be divided into two parts showing separately the trading account and the Profit and Loss Account. In case of producers' societies, processing societies / forest labourer's societies and offer societies which have undertaken production activities, the manufacturing account shall also be prepared in addition.-

Signature,

Chairman,

Vice-Chairman,

Managing Director

..... Co-operative Society, Ltd.....

Form No. N-1.

[See section 81 and rule 69 (3)]

**An Illustrative Format of Report of the Auditor of Co-operative Bank
Independent Auditor's Report**

To,

The Chairman/Secretary/Chief Executive Officer

The _____ Urban Co-operative Bank Ltd. / DCCB / SCB,

Address, City Name

Ref. :- Appointment Letter Reference No.----- Dated -----

Report on the Financial Statements as a Statutory Auditor

1. We have audited the accompanying financial statements of the ----- Urban Co-operative Bank Ltd. / DCCB / SCB, which comprise the Balance Sheet as at 31st March 20XX and the Statement of Profit and Loss for the year ended, and a summary of significant accounting policies and other explanatory information incorporated in these financial statements of the Bank along with its Branches and Extension counters audited by us for the period 1st April 20YY to 31st March 20XX.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements in accordance with Maharashtra Co-operative societies Act, 1960, Banking Regulation Act, 1949 (A.A.C.S.) and RBI / NABARD Guidelines. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility.

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the applicable Standards by The Institute of Chartered Accountants of India and under the MCS Act / BR Act / RBI guidelines. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required by the Banking Regulation Act, 1949 (A.A.C.S.) as well as the Maharashtra Co-operative Societies Act, 1960, the Maharashtra Co-operative Societies Rules 1961, and any other applicable Acts, and or circulars issued by the Registrar, in the manner so required for the bank and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Bank as at 31st March, 2___;
- (ii) in the case of the Statement of profit and loss of the profit/loss for the year ended on that date; and

Report on Other Legal and Regulatory Matters

7. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with provisions of the Maharashtra Co-operative Societies Act, 1960 & Maharashtra Co-operative Societies Rules 1961.

8. We report that :

- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory.
- (b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
- (c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

9. In our opinion, the Balance Sheet and Profit and Loss Account comply with applicable Accounting Standards.

10. We further report that :

- (i) The Balance Sheet and Profit and Loss Account dealt with by this report, are in agreement with the books of account and the returns.
- (ii) In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books.
- (iii) The reports on the accounts of the branches audited by us / branch auditors have been dealt with in preparing our report in the manner considered necessary by us.
- (iv) for the year under audit, the bank has been awarded "___" classification.

Signature

(Name of the Member Signing the Audit Report / Name of Auditor)

(Designation)

Membership Number

Firm Registration Number

Audit Panel Number

Place of Signature :

Date of Report :

Note : - In case the auditor have not audited all branches or taken assistance of other auditor or branches are audited by another auditor appointed by bank, following lines should be inserted in above report.

*These unaudited branches account for _____ per cent of advances,
_____ per cent of deposits, _____ per cent of interest income and
_____ per cent of interest expense.

Form No. N-2

[See Section 81 and rule 69 (3)]

**An Illustrative Format of Report of the Auditor of Co-operative Society
Independent Auditor's Report**

To

The Chairman/Secretary/Chief Executive Officer
The _____ Co-operative Society Ltd,
Address, City Name

Ref. : - Appointment Letter Reference No. _____ Dated _____

Report on the Financial Statements as a Statutory Auditor

1. We have audited the accompanying financial statements of The _____ Co-operative Society Ltd., which comprise the Balance Sheet as at 31st March 20XX and the Statement of Profit and Loss / Income & Expenditure for the year ended, and a summary of significant accounting policies and other explanatory information incorporated in these financial statements of the Society alongwith its Branches audited by us for the period 1st April 20YY to 31st March 20XX. *

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements in accordance with Maharashtra Co-operative Societies Act, 1960 & Rules there under. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the applicable Standards by The Institute of Chartered Accountants of India and under the MCS Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required as per the Maharashtra Co-operative Societies Act 1960 and the Maharashtra Co-operative Societies Rules 1961, and any other applicable Acts, and or circulars issued by the Registrar, in the manner so required for the society gives a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Balance Sheet, of the state of affairs of the society as at 31st March 2___;

(ii) in the case of the Statement of profit and loss / Income & Expenditure of the profit/loss for the year ended on that date; and

Report on Other Legal and Regulatory Matters

7. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of the Maharashtra State Co-operative Act.

8. We report that :

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory.

(b) The transactions of the Society, which have come to our notice, have been within the powers of the Society.

(c) The returns received from the offices and branches of the Society have been found adequate for the purposes of our audit.

9. In our opinion, the Balance Sheet and Profit and Loss / Income & Expenditure Account comply with applicable Accounting Standards.

10. We further report that:

(i) The Balance Sheet and Profit and Loss / Income & Expenditure Account dealt with by this report, are in agreement with the books of account and the returns.

(ii) In our opinion, proper books of account as required by law have been kept by the Society so far as appears from our examination of these books.

(iii) The reports on the accounts of the branches audited by branch auditors have been dealt with in preparing our report in the manner considered necessary by us.

(iv) for the year under audit, the society has been awarded "___" classification.

Signature

(Name of the Member Signing the Audit Report / Name of Auditor)

(Designation)

Membership Number

Firm Registration Number

Audit Panel Number

Place of Signature:

Date of Report:

Note : - in case the auditor have not audited all branches or taken assistance of other auditor or branches are audited by another auditor appointed by bank, following lines should be inserted in above report.

*These unaudited branches account for _____ per cent of advances,
_____ per cent of deposits, _____ per cent of interest income and
_____ per cent of interest expense.

Form 'O'

(See sections 81, 82, 87 and rule 73)

Rectification report under section 82/87

Date of Audit : Period covered :

No. and date of order under section 81/83 :

Name and designation of person carrying out audit, inquiry or inspection:

..... Co-operative Society, for the
year

Serial No. of the objection in the Audit Memo or report of the Officer carrying out inquiry or inspection	Observations made by the Auditor or officer carrying out inquiry or inspection	Explanation of the society and remarks regarding action taken by it to rectify the irregularities and implement the suggestion made by the Auditor or Officer carrying out inquiry or inspection	No. and date of the resolution of the committee approving the report	Remarks of the auditor
(1)	(2)	(3)	(4)	(5)

Note : - (1) In case there are more Disputants or Opponents, their names, addresses, ages and occupations should also be mentioned.

(2) In disputes relating to monetary claims, the applicants should state the precise amount claimed but where this cannot be exactly ascertained, the applicants shall state the approximate amount claimed.

(3) When a society is a disputant a copy of the resolution of its committee or Board of Directors shall accompany the application.

Form 'Q'

(See section 98 and rule 82)

Proclamation to be issued at the time of issue of a certificate under section 98

A. In the case of immovable property:

Whereas.....(judgment-creditor) has obtained an award or awards under Section 96 or an order or orders of the Liquidator under Section 105 of the Maharashtra Co-operative Societies Act 1960, for an amount of Rs against.....(Judgment-debt or) and proposes to execute the same by sale of the under mentioned property of the said judgment-debt or and where as the said judgment-creditor has obtained a certificate dated..... for execution of the award / awards or the order / orders under Section 98 of the said Act.

Notice is hereby given that any private transfer or delivery of, or encumbrance or charge on, the property made or created after the issue of the certificate shall be null and void against the said judgment-creditor under section 99 of the Act aforesaid.

Description of the property

Date of award or order	Names of the parties against whom award or order has been passed and certificate under section 98 has been issued	Survey No. or House No.	Name of the Village Area or Town, etc.	Assessment or other taxes	Other description of the property such as boundaries etc.	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)

The notice shall be proclaimed at some place on or adjacent to such property by beat of drum or other customary mode and a copy of the said notice shall be fixed on a conspicuous part of the property and up on a conspicuous part of the village chavdi and also where the property is land paying revenue to the State Government, in the office of the Collector of the District in which the land is situated.

Place:

Date :

Registrar of Co-operative Societies
Liquidator

B. In the case of moveable property, a similar notice may be given with necessary changes as to the description of the property. A copy of the notice shall be delivered to the judgment-debtor.

Copy to : - Tahsildar

Form 'R'

[See section 100 and rule 85(5)]

Certificate for Transfer of Property under Section 100

In the case of immovable property :

Whereas in execution of the award or order or awards or orders passed under section 96 or an order or orders made by a Liquidator under section 105 of the Maharashtra Co-operative Societies Act, 1960, in favour of the society, an order was made on the day of. 20 , for sale of the under mentioned property of the person or persons (debtor or debtors) ;

And whereas the Court/the Collector/the Registrar is satisfied that the said property cannot be sold for want of buyers:

It is hereby ordered under section 100 of the said Act that the right, title and interest of the debtor in the said property shall vest in the..... Co-operative society and shall be delivered to the society subject to the terms and conditions laid down in the Schedule hereto annexed.

Description of the property

Survey No.	Area and assessment	Nature of right title and interest of the defaulter	Details of encumbrances to which property is subject
(1)	(2)	(3)	(4)

Schedule

(Note : The terms and conditions agreed upon between the court or the collector or the Registrar and the society, if any, shall be incorporated in the schedule)

The said property is transferred to the society in full/partial satisfaction of the amount due to it from the debtor.

Given under my hand and seal of the Court/Collector/Registrar this.....day of.....20

Court/Collector/Registrar of
Co-operative Societies.

In the case of moveable property :

(The form shall be similar with necessary changes as regards the description and to be delivery of the property).

Form 'S'

[See section 111 and rule 93(8)]

Public Notice under Rule 93

Whereas Shri:.....resident of.....has applied for loan for the purpose of (specify purpose).....,.....a purpose mentioned in Section 111 of the Maharashtra Co-operative Societies Act, 1960 from

I the.....Co-operative Agriculture and Rural Multipurpose Development Bank Ltd. and has proposed to offer as a security for the loan the lands mentioned in the margin.

Lands in which improvement is proposed to be effected

Name of Village	Survey No.	Assessment
.....
.....
Lands proposed to be offered as security		

Name of Village	Survey No.	Assessment	Notice is hereby given that objections, if any, to the grant of loan from all persons interested will be heard by the undersigned atO' clock on 20.....at
.....	
.....	

Any person wishing to submit any objection should appear in person at the above mentioned time and place before the undersigned together with any documents he wants to produce in support of his objections.

It is hereby notified for the information of all persons interested that according to the provisions of Section 119 of the Maharashtra Co-operative Societies Act, 1960, a written order by the Co-operative Agriculture and Rural Multipurpose Development Bank or person or committees authorised under the by-laws of the Bank to make loans for all or any of the purposes specified in Section 111, granting either before or after the commencement of the said Act, a loan to or with the consent of person mentioned therein, for the purpose of carrying out the work specified therein for the benefit of the land or for the productive purpose mentioned therein shall, for purposes of the said Act, be conclusive of the following matters, that is to say : -

- (a) that the work described or the purpose for which the loan is granted, is an improvement or productive purpose, as the case may be, within the meaning of Section 111 ;

(b) that the person had at the date of ; he order a right to make such improvement or incur expenditure for productive purpose, as the case may be; and

(c) that the improvement is one benefitting the land specified and productive purpose concerns the land offered in security, or any part thereof as may be relevant.

If any persons interested fail to appear as stated as required by this notice, the questions at issue will be decided in their absence and such persons will have no claim whatsoever against the property for which the loan applied for will be sanctioned till such time as the loans together with interest thereon or any other dues arising out of the loan are paid in full by the loanee.

Dated this..... day of 20

(Signed)
Designation of Officer.

Copy forwarded with compliments to. - The Talathi or other corresponding officer.....village and the.....Co-operative Agriculture and Rural multipurpose Development Bank..... with are quest to affix this notice at the village chavdi and head office and relevant branch office of the Bank immediately and inform the undersigned accordingly by

Dated this..... day of 20

(Signed)
Designation of Officer.

Form 'T'

(See section 136 and rule 101)

Certificate to be granted to the purchaser of the property under section 136(1) of the Maharashtra Co-operative Societies Act,1960

This is to certify that the following property: -

Serial No.	Survey number	Boundaries	Village	Taluka	District	Name of the mortgagor who held the land
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

has been sold to.....at.....in public auction of the property held under section 133(1)of the Maharashtra Co-operative Societies Act, 1960 on..... for Rs.....and the said.....has been declared to be the purchaser of the said property at the time of the sale. The sale price of the said property was received on.....by the.....Co-operative Agriculture and Rural multipurpose Development Bank..... The sale was confirmed under Section 134 of the Act and become absolute on.....

(Signature).....

Secretary/Manager, Co-operative Agriculture and Rural Multipurpose Development Bank

[Form 'W']

[See section 26 and rule 20A (2)]

To,

1. As per Section 26 (2) (b) of The Maharashtra Co-operative Societies Act and by rule 20 A of The Maharashtra Co-operative Societies Rules, 1961, and bye-laws No.----- of the society, you are classified as non-active member by resolution No.----- in the managing committee meeting dated ----/----/----- . Due to non-compliance of the provisions of the said bye-laws you are hereby informed that you are non-active member since date -----/-----/----- and your name is enrolled in list of non-active members.
2. In case you have any grievances against your classification as non-active member you may file an appeal to the Registrar within a period of sixty days from the date of this communication.
3. On fulfillment of the eligibility criteria as provided in section 26 (a) and (b) you may be reclassified as active member. For such reclassification, you have to attend the next general body meeting and you will have to utilise minimum level of services as specified in the by-laws of the society.

Chief Executive Officer,
-----Co-operative Society.

Form 'X'

[See section 75 and rule 60(3)]

Agenda for the Annual General Meeting

- (1) Reviewing of the loans given to any of the members of the committee or any member of the family of any committee member, including a society or firm or company of which such member or members of his family is a member, partner or director;
- (2) reviewing of repayment of loan made during preceding year, amount outstanding and overdue at the end of the year -----;
- (3) Placing annual report of the activities of the society for the year -----.
 - (a) Statement of state of the affairs of the society;
 - (b) amount proposed to be carried to the reserve fund;
 - (c) amount recommended by the committee to be paid as dividend, bonus which should include, to the share holders and honorarium to the employees;
 - (d) changes occurred if any, in the society business during the accounting year -----.
- (4) Plan for disposal of surplus for the year -----;
- (5) amendments made to the bye-laws of the society, (if any);
- (6) Declaration regarding date and conduct of election of committee, (if due);
- (7) Audit report of the preceding financial year (year -----)
- (8) Rectification report of earlier audit (year -----)
- (9) Annual budget for next year (year -----);
- (10) The information required by the Registrar in persuasion of the provisions of Act and Rules (give details);
- (11) Appointment of auditor for the audit of the accounts of the society for the year -----.
- (12) Audited Profit and Loss Account, Balance sheet for the year -----.
- (13) Other subjects (if any).
 - (a)
 - (b)
 - (c)

Form - 'X-1'

(See rule 65)

Maintenance of Property Register

(Circular No. ADM/184/64, dated 3rd October 1970 from the Commissioner for Co-operation, M. S., Pune)

The form may be kept ledger wise allotting one or two pages of the register to each property when buildings or other constructions are constructed through contractors or construction is by the Society itself, necessary details in brief to the same may be given in the remark column regarding the name of the contractor, the terms of contract etc.

Form of Property Register

	Place			Description of the property			
				Lands		House and buildings	
Village Town	Taluka	District	Survey Nos.	Acres	Land revenue to be paid	City Survey No.	Taxes to be paid
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Purchase Price of property	From whom purchased	If constructed actual cost of construction	Date of purchase or completion of construction as per completion certificate		Valuation after depreciation	
				Year	Amount of depreciation	Value after depreciation every year
(9)	(10)	(11)	(12)	(13)	(14)	(15)

Amount for which insured	Encumbrances if any	If sold, Process date and amount of sale		Remarks
		Date	Amount	
(16)	(17)	(18)	(19)	(20)

Form - 'Y'

[See section 79, rule 67]

Submission of returns by the Society to the Registrar

To,

The Registrar/ special/ Adl./DJR/ DDR/ Dy. R/ ARCs

As provided under Rule 67 of the M.C.S. Rules, 1961, following returns are enclosed herewith:

- (1) Annual Report of activities of the Society for the year -----.
- (2) Audited statements of accounts of the society for the year -----.
 - (A) Balance Sheet ;
 - (B) Profit and Loss Accounts ; or
 - (C) Income and Expenditure Statement.
- (3) A Statement of disposal of surplus assets as approved by General Body Meeting date -----
----- for the year -----.
- (4) A copy of the amendments to the bye-laws made by the society or proposed amendments to the bye-laws duly approved by the General Body Meeting.
- (5) Declaration regarding date of conduct of election of the society, due in the year-----.
- (6) Declaration regarding date of holding of General Body Meeting of the Society for the year.....
- (7) Statement regarding appointment of auditor, his consent, letter and remuneration fixed, for year -----.
- (8) Statement of rectification of audit for the year -----.
- (9) Statement regarding co-operative education and training of the members, officers and employees of the society organized by the society during the year -----.
- (10) Contribution made to the co-operative education and training fund made by society for the year -----.
- (11) Statement regarding of Provisions made for contribution to be made to the election fund for the year -----.
- (12) Statement showing status of preparation of list of Active and Non- active members of the society.



Place : -----

Date : -----

Chief Executive Officer,
.....Co-operative Society Ltd.

Form 'Z'

[See sub-rule (11(d-1)) of rule 107]

Possession Notice For Immovable Property

Whereas the undersigned being the Recovery officer of the
(name of the applicant) under the Maharashtra Co-operative Societies Rules,1961 issued a demand
notice dated..... calling upon the judgement debtor

Shri/M/s to repay the amount mentioned in the
notice being Rs.(in words) with
date of receipt of the said notice and the judgement debtor having failed to repay the amount, the
undersigned has issued a notice for attachment dated and attached the property
described herein below.

The judgement debtor having failed to repay the amount, notice is hereby given to the judgement
debtor and the public in general that the undersigned has taken possession of the property described
hereinbelow in exercise of powers conferred on him/her under rule 107 [11(d-1)] of the
Maharashtra Co-operative Societies Rules,1961 on this day of of the year

The judgement debtor in particular and the public in general is hereby cautioned not to deal with
the property and any dealings with the property will be subject to the charge of the (name of
the applicant) for an amount Rs. and interest thereon.

Description of the Immovable Property

All that part and parcel of the property consisting of Flat No. /Plot No. In Survey
No. /City or Town Survey No. / Khasra No. within the registration Tahsil
and District Bounded:

On the North by

On the South by

On the East by

On the West by

Sd/ -

Date :

Recovery Officer,

Place :

(Name of the Applicant).