

MULTI-STATE CO-OPERATIVE SOCIETIES (REGISTRATION, MEMBERSHIP, DIRECTION and MANAGEMENT, SETTLEMENT OF DISPUTES, APPEAL and REVISION) RULES 1985

CONTENTS

CHAPTER 1 :- PRELIMINARY

1. Short Title and Commencement
2. Definition

CHAPTER 2 :- REGISTRATION

3. Application for registration
4. Registration
5. Extension of period of registration of societies and bye-laws, etc.
6. Refusal of registration
7. Subject matter of bye-laws
8. Amendment of bye-laws
9. Maintenance of registration filed by the society
10. Change in name of Multi-State Co-operative Society

CHAPTER 3 :- MEMBERS OF MULTI-STATE CO-OPERATIVE SOCIETIES AND THEIR RIGHTS and LIABILITIES

11. Conditions to be complied with for admission for membership
12. Individual members in the National Co-operative Union of India
13. Refund of shares
14. Nomination of heir
15. Procedure of ascertaining the value of share or interest of a member
16. Restriction on holding of shares
17. Shares not to be hypothecated
18. Prohibition on admission of members and transfer of shares on the eve of general meeting
19. Disqualification of defaulting member

CHAPTER 4 :- DIRECTION AND MANAGEMENT OF MULTI-STATE CO-OPERATIVE SOCIETIES

20. Annual General Meeting
21. Constitution of smaller general body
22. Interim board and general meeting for first election
23. Notice for general meeting
24. Quorum at a general meeting
25. Voting in general meeting

26. Minutes of the general meeting
27. Procedure for conduct of elections
28. Election of office-bearers
29. Custody of record of elections conducted
30. Restrictions and conditions for payment of honorarium to the Chairman and the President
31. Central Government or State Government nominees on the board
32. Additional measures and Acts to be undertaken by the board
33. Meeting of the board
34. Committees of the board
35. Constitution of National Co-operative Societies Selection Committee

CHAPTER 5 :- SETTLEMENT OF DISPUTES

36. Procedure in proceedings before Central Registrar

CHAPTER 6 :- APPEALS AND REVISIONS

37. Appeals against order of Central Registrar
38. Procedure regarding appeals and application for revision
39. Application for review

SCHEDULE 1 :- SCHEDULE

1. Procedure regarding conduct of elections to the board of Multi-State Co-operative Societies
2. Election Programme
3. Preparation of list of members/delegates
4. Nomination of candidate
5. Scrutiny of Nomination Papers
6. Voting
7. General
8. Mode of election of members of the board of Multi-State Co-operative Societies other than those referred in paragraph
9. Election of office-bearers
10. Custody of record of elections conducted

MULTI-STATE CO-OPERATIVE SOCIETIES (REGISTRATION, MEMBERSHIP, DIRECTION and MANAGEMENT, SETTLEMENT OF DISPUTES, APPEAL and REVISION) RULES 1985

MULTI-STATE CO-OPERATIVE SOCIETIES (REGISTRATION, MEMBERSHIP, DIRECTION and MANAGEMENT, SETTLEMENT OF DISPUTES, APPEAL and REVISION) RULES 1985

CHAPTER 1

PRELIMINARY

1. Short Title and Commencement :-

1 .

(1) These rules may be called the Multi-State Co-operative Societies (Registration, Membership, Direction and Management, Settlement of Disputes Appeal and Revision) Rules, 1985

(2) These rules shall come into force from the Sixteenth day of September, 1985.

1. Published in the Gazette of India, Extraordinary PART II-Section 3(i), G.S.R. No. 735 (E), dated 16-9- 1985, pp. 17-32.

2. Definition :-

In these rules, unless the context otherwise requires :

(i) "Act" means the Multi-State Co-operative Societies Act, 1984 (51 of 1984).

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

(iii) "General meeting" means a meeting of the general body including a representative general body referred to in section 29 .

(iv) "Section" means a section of the Act.

(v) "Schedule" means Schedule appended to these rules.

(vi) Words and expressions defined in the Act and used but not defined in these rules shall have the meanings respectively assigned to them in the Act.

* * * *

CHAPTER 2 REGISTRATION

3. Application for registration :-

(1) An application for registration of a Multi-State Co-operative Society under sub-section (1) of Section 6 shall be made in Form I and shall, subject to the provisions of sub-section (2) of section 6 and sub-rules (2) and (3) be signed by the applicants and be accompanied by :

(a) four copies of the proposed bye-laws of the Multi-State Co-operative Society, duly signed by each of the persons who sign the application for registration,

(b) 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;

(c) a certificate from the bank or banks stating the credit balance in favour of the proposed Multi-State Co-operative Society ;

(d) a scheme showing the details explaining how the working of the Multi-State Co-operative society will be economically sound ;

(e) certified copy of the resolution of the promoters which shall specify the name and address of one of the applicants to whom the Central Registrar may address correspondence under the rules before registration and dispatch or hand over registration documents.

(2) Where any member of a Multi-State Co-operative Society to be registered is a Multi-State Co-operative Society or a Co-operative Society the Chairman or Chief Executive of such Multi-State Co-operative Society or Co-operative Society, as the case may be, shall be authorised by that board by a resolution, to sign the application for registration and bye-laws on its behalf, and a copy of such resolution shall be appended to the application.

(3) Where any member of Multi-State Co-operative Society to be registered is a Governments Company, a corporate body or a society registered under the Societies Registration Act, 1860 such member shall duly authorise any person to sign the application for registration and the bye-laws on its behalf and a copy of such resolution giving such authority shall be appended to the application.

(4) A copy of the resolution indicating the name of one or more applicants, who are authorised to make alterations or additions to the proposed bye-laws submitted with the application, as may be suggested by the Central Registrar, shall be submitted.

(5) The application shall either be sent by registered post or delivered by hand to the Central Registrar.

4. Registration :-

(1) On receipt of an application under Rule 3, the Central Registrar shall enter particulars of the application in the register of applications to be maintained in Form II, give a serial number to the application and issue a receipt in acknowledgement thereof.

(2) If the Central Registrar is satisfied that the proposed Multi-

State Co- operative Society has complied with the requirements of the Act and the Rules, he may register the society and its bye laws.

(3) Where the Central Registrar registers a Multi-State Co-operative Society, he shall issue to the said society a certificate of registration signed by him and bearing his official seal containing registration number and date of registration of the said society. The Central Registrar shall also issue, alongwith the certificate of registration, a certified copy of the bye-laws, as approved and registered by him, which shall be the registered by-laws of the said society for the time being in force.

5. Extension of period of registration of societies and bye-laws, etc. :-

The Central Government may, on the report of the Central Registrar, allow such further period not exceeding six months for registration of:-

(i) the Multi-State Co-operative Society under proviso to sub-section (3) of Section 7 ;

(ii) the amendment of bye-laws of the multi-State co-operative society under proviso to sub-section (2) of Section 9 ; and

(iii) the amendment of bye-laws extending the jurisdiction of the co- operative society under proviso to sub-section 2 of Section 18 .

6. Refusal of registration :-

Where the Central Registrar refuses to register a Multi-State Co-operative Society under sub-section (2) of Section 7 , he shall communicate the order of refusal together with reasons therefor to the person authorised under Clause (e) of sub-rule (1) of Rule 3 to the said society.

7. Subject matter of bye-laws :-

The Multi-State Co-operative Society and its branches :-

(i) the name and registered address of the Multi-State Co-operative Society and its branches;

(ii) the area of operation;

(iii) the objects for which the Multi-State Co-operative Society is established and the purpose for which its funds may be applied;

(iv) the terms and qualifications for admission and withdrawal of membership,

(v) the privileges, rights, duties and liabilities of members including nominal members;

Provided that the nominal members shall not be entitled to any share in any form whatsoever in the assets or profits of the Multi-State Co-operative Society and shall not have a right to vote :

(vi) the consequence of default in payment of any sum due by members;

(vii) the procedure for withdrawal, removal or expulsion of members;

(viii) the manner in which and the limits upto which the funds of the society may be raised the maximum share capital which any member may hold and the purpose to which the funds may be utilised ;

(ix) the mode of appointment and removal of the directors and other officers of the Multi-State Co-operative Society and the duties and powers of the board ;

(x) the mode of convening and conducting annual and special meetings of the general body and of the board, issue of notices and the business which may be transacted thereat ;

(xi) the disposal of net profits;

(xii) the manner of making, altering and abrogating bye-laws ;

(xiii) the powers, duties and functions of the Chairman or President and his removal on his losing support of the majority ;

(xiv) the powers and duties of the Chief Executive in addition to these mentioned in Section 45 ;

(xv) the authorisation of an officer or officers to sign documents and to institute and defend suits and other legal proceedings on behalf of the Multi-State Co-operative Society ;

(xvi) the mode of custody and investment of funds;

(xvii) the mode of keeping the accounts;

(xviii) the strength of the board ;

(xix) the manner in which penalty may be levied on a member found guilty of breach of the bye-laws ;

- (xx) the appointment of a provisional board, wherever necessary;
- (xxi) the manner of sending notices;
- (xxii) the formation or use of reserve fund;
- (xxiii) the purpose for which surplus if any shall be utilised in the event of the winding-up of the Multi-State Co-operative Society;
- (xxiv) the conduct of elections to the board and other bodies of a Multi-State Co-operative Society including the number of members to be elected by different constituencies and appointment of returning officers;
- (xxv) the procedure to be followed in cases of withdrawal, ineligibility and death of members;
- (xxvi) the condition, if any, under which the transfer of share or interest of a member may be permitted;
- (xxvii) the method of appropriating payments made by members from whom moneys are due;
- (xxviii) the constitution and maintenance of various funds to be maintained under the provisions of the Act or Rules ;
- (xxix) the constitution of a representative general body consisting of delegates or members of the Multi-State Co-operative Society and the method of election of such delegates to exercise the powers of the general body;
- (xxx) the mode of conducting business such as manufacture, purchase, stock-taking and other allied matters ;
- (xxxi) in the case of co-operative banks and Multi-State thrift and credit societies,-
 - (a) the maximum loan admissible per member ;
 - (b) the maximum rate of interest on loans to members ;
 - (c) the conditions on which loans may be granted to members ;
 - (d) the procedure for grant of loans and advances and for the grant of extension of time and for repayment of such loans, advances, etc.,
 - (e) the circumstances under which a loan may be recalled.

8. Amendment of bye-laws :-

(1) The amendment to the bye-laws of a Multi-State Co-operative Society may be made by a resolution passed by a two-third majority of the members present and voting at general meeting of the society.

(2) No such resolution shall be valid unless notice of the proposed amendment has been given to the members of the Multi-State Co-operative Society in accordance with the bye-laws.

(3) In every case in which a Multi-State Co-operative Society proposes to amend its bye-laws, an application shall be made to the Central Registrar together with:-

(a) a copy of the resolution referred to in sub-Rule (1);

(b) the particulars indicating the date of the general meeting at which the amendments were made, the number of days notice given to convene the general meeting, the total number of members on the date of such meeting, the number forming the quorum, the number of members present at the meeting, the number exercising the right of voting and the number voting for the amendment ;

(c) a copy of the relevant bye laws in force with the amendment proposed to be made together with reasons justifying such amendments ;

(d) four copies of the text of the bye-laws as they would stand after the amendment, signed by the officers duly authorised in this behalf by the board of the Multi-State Co-operative Society ;

(e) a copy of the notice given to the members of the Multi-State Co-operative Society and the proposal to amend the bye-laws ;

(f) a certificate signed by the presiding authority of the general meeting that the procedure specified in sub-rule (1) and sub rule (2) and in the bye-laws, has been followed ; and

(g) any other particulars that may be required by the Central Registrar in this behalf.

(4) Every such application shall be made within sixty days from the date of the general meeting at which such amendment was passed.

(5) Where the Central Registrar refuses to register an amendment

of the bye-laws of a Multi-State Co-operative Society he shall pass an order of refusal together with the reasons therefor and communicate the same by registered post to the Chief Executive of the Multi-State Co-operative Society within seven days from the date of order of refusal.

(6) The procedure outlined above in this rule shall apply to the amendment of the bye-laws of a co-operative society desiring to convert itself into a Multi- State Co-operative society as per provisions of Section 18 .

9. Maintenance of registration filed by the society :-

(1) Every Multi-State Co-operative Society shall maintain at its registered address a registration file containing :

(a) the certificate of registration ;

(b) the registered bye-laws ;

(c) all registered amendments to the bye-laws alongwith the certificates of registration of amendments ;

(d) a copy of the Act and the rules

(2) The registration file shall be kept open for inspection at all times during working hours to the Central Registrar or any other officer authorised by him or any member of the Multi-State Co-operative Society.

10. Change in name of Multi-State Co-operative Society :-

(1) The name of a Multi-State Co-operative society may be changed under Section 11 so, however, that it does not refer to any caste or religion denomination and is not inconsistent with the objects of the Multi-State Co-operative Society.

(2) Every change in the name of the Multi-State Co-operative Society shall be made by an amendment of its bye-laws.

(3) After the change in the name is approved by the Central Registrar the Multi-State Co-operative Society shall send the original registration certificate for amendment to the Central Registrar who shall return the same to the Multi-State Co-operative society duly amended.

* * * *

CHAPTER 3

MEMBERS OF MULTI-STATE CO-OPERATIVE SOCIETIES AND THEIR RIGHTS and LIABILITIES

11. Conditions to be complied with for admission for membership :-

(1) No person shall be admitted as a member of a Multi-State Co-operative Society unless,-

(a) he has applied in writing in the form, if any, laid down by the Multi-State Co-operative Society or in the form specified by the Central Registrar, if any, for membership ;

(b) his application is approved by the board of the Multi-State Co-operative Society;

(c) he has purchased the minimum number of shares and paid the value thereof in full or in part in such calls as may be laid down in the bye-laws of the Multi-State Co-operative Society ;

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

(e) in the case of a Multi-State Co-operative Society or a co-operative society or the national co-operative society or any other corporation owned or controlled by the Government or any Government Company or body of persons whether incorporated or not, the application for membership shall be accompanied by a resolution authorising it to apply for such membership.

(2) No person shall be eligible for admission as a member of a Multi-State Co-operative Society if he :-

(a) has not attained the age of 18 years ;

(b) has been adjudged by a competent court to be an insolvent or an undischarged insolvent;

(c) has been sentenced in any offence, other than offence of a political character or an offence not involving moral turpitude and dishonesty and a period of five years has not elapsed from the date of expiry of the sentence.

(3) Notwithstanding anything contained in these rules or the bye-laws of the Multi-State Co-operative Society, if a member becomes or has already become subject to any disqualifications specified in sub-rule (2), he shall be deemed to have ceased to be a member of

the society from the date when the disqualification was incurred.

(4) No individual being a member of a primary level Multi-State Co-operative Society or a Multi-State Credit Society, or a Multi-State Urban Co-operative Bank shall be the member of any other Multi-State Co-operative Society or Co-operative Society of the same class without the general or special permission of the Central Registrar and where an individual has become a member of two such co-operative societies aforesaid, then either or both of the societies shall be bound to remove him from membership on written requisition from the Central Registrar to that effect.

(5) No Multi-State Co-operative Society shall admit members within thirty days prior to the date of the meeting of its general body.

12. Individual members in the National Co-operative Union of India :-

The ex-Presidents of the National Co-operative Union of India Limited, New Delhi who have served their full term of office and other individuals not exceeding 15 in number with the knowledge and experience in the field of co-operation may be admitted as members of the National Co-operative Union of India Limited, New Delhi, provided that : The ex-Presidents and other individuals admitted as members shall not be eligible to vote or contest in any elections in the National Co-operative Union of India Limited.

13. Refund of shares :-

The total refund of share capital of a Multi-State Co-operative Society in any co-operative year shall not exceed 10 per cent of the paid up share capital of the Multi-State Co-operative Society on the last day of the co-operative year immediately preceding.

14. Nomination of heir :-

(1) For the purposes of transfer of his share or interest under subsection (1) of Section 27, a member of a Multi-State Co-operative Society may nominate a person to whom in the event of his death his share or interest shall be transferred. Such member may, from time to time, revoke or vary such nomination.

(2) A nomination made by a member shall not be valid and shall not in the event of death of the member have effect unless,-

(a) it is made in writing and is signed by the member in the presence of two witnesses attesting the same ;

(b) it is recorded in the books of Multi-State Co-operative Society, kept for the purpose.

15. Procedure of ascertaining the value of share or interest of a member :-

Where the member of a Multi-State Co-operative Society ceases to be a member thereof, the sum representing the value of his share or interest in the capital of the Multi-State Co-operative Society to be paid to him or his nominee, or heir or legal representative, as the case may be, shall be ascertained in the following manner, namely :-

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

(ii) In the case of a Multi-State Co-operative Society with limited liability, it shall be the amount arrived at by the valuation based on the financial position of such society as shown in the last audited balance sheet preceding cessation of membership:

Provided that the amount so ascertained shall not exceed the actual amount received by the Multi-State Co-operatives Society in respect of such share or interest.

16. Restriction on holding of shares :-

No member referred to in Clauses (a) and (b) of sub-section (1) of Section 19 shall hold more than one-fifth of the share capital of the Multi-State Co-operative Society or have or claim any interest in the shares of the Multi-State Co-operative Society exceeding ten thousand rupees, whichever is less.

17. Shares not to be hypothecated :-

The shares of a Multi-State Co-operative Society shall not be hypothecated to that society or any other Multi-State Co-operative Society by the members as a security for a loan.

18. Prohibition on admission of members and transfer of shares on the eve of general meeting :-

(1) No Multi-State Co-operative Society shall admit members or approve the transfer of shares within thirty days prior to the date fixed for the general body meeting.

(2) Any person admitted as member and any person in whose favour the transfer of shares have been approved in contravention

of this rule shall not have the right to vote at the said general meeting.

19. Disqualification of defaulting member :-

A member of a Multi-State Co-operative Society or a representative of defaulting member society shall not be eligible to seek election to any office in, or continue, as a member of the board of such Multi-State Co-operative Society, if he or the society of which he is the representative, commits default in the payment of annual subscription or other sums due to such Multi-State Co-operative Society. A member, or a representative of a defaulting member society, if holding any office in a Multi-State Co-operative Society, shall forfeit the right to hold such office with effect from the date on which he, or the society of which he is the representative, becomes defaulter as per bye-laws of the Multi-State Co-operative Society or as determined by the board of directors of the Multi-State Co-operative Society.* * * *

CHAPTER 4

DIRECTION AND MANAGEMENT OF MULTI-STATE CO-OPERATIVE SOCIETIES

20. Annual General Meeting :-

Every Multi-State Co-operative Society shall hold the annual general meeting of its members (referred to in Section 30) within six months of the close of the co-operative year.

21. Constitution of smaller general body :-

(1) Without prejudice to the provision of sub-section (3) of Section 29 , a Multi-State Co-operative Society with a membership exceeding one thousand may provide in its bye-laws for the constitution of a smaller general body. The smaller general body so constituted shall exercise such powers as may be specified in the bye-laws of the Multi-State Co-operative Society.

(2) The bye-laws of such society may specify the principle or the basis for constitution of a representative general body and procedures thereto.

22. Interim board and general meeting for first election :-

(1) The board of directors selected by the applicants for the registration of the Multi-State Co-operative Society shall hold office till the directors are elected in the first general meeting of the Multi-State Co-operative Society.

(2) The first general meeting for this purpose shall be held within six months of the registration of the Multi-State Co-operative Society.

23. Notice for general meeting :-

(1) Annual general meeting of a Multi-State Co-operative Society may be called by giving not less than fourteen days notice in writing.

(2) Special general meeting of a Multi-State Co-operative Society may be called by giving not less than seven days notice in writing,

(3) When a general meeting is called by the Central Registrar under the second proviso to sub-section (1) of Section 30 , he may determine :-

(i) the period of notice of such meeting which shall not be less than seven days;

(ii) the time and place of such meeting; and

(iii) the subjects to be considered in such meeting. The Central Registrar or any person authorised by him may preside over such meeting.

(4) The notice of general meeting shall be accompanied by a copy each of the audited balance sheet, profit and loss account, together with the auditor's report thereon, relating to the preceding year and the report of the board.

24. Quorum at a general meeting :-

(1) Unless otherwise provided in the bye-laws, the quorum for a general meeting shall be one-fifth of the total number of members of the Multi State Co-operative Society.

(2) No business shall be transacted at any general meeting unless there is a quorum at the time when the business of the meeting is due to commence.

(3) If within half an hour from the time appointed for the meeting aquorum is not present, the meeting shall stand adjourned :

Provided that a meeting which has been called on requisition of the members shall not be adjourned but dissolved.

(4) If at any time during the meeting sufficient number or

members are not present to form the quorum, the Chairman or the member presiding over the meeting on his own, or on his attention being drawn to this fact, shall adjourn the meeting and the business that remains to be transacted at this meeting, if any, shall be disposed of in the usual manner at the adjourned meeting.

(5) Where a meeting is adjourned under sub-rule (3) or sub-rule (4), the adjourned meeting shall be held either on the same day or on such date, time and place as may be decided by the Chairman or the member presiding over the meeting.

(6) No business shall be transacted at any adjourned meeting other than the business on the agenda of the adjourned meeting.

(7) No quorum shall be necessary in respect of an adjourned general meeting.

25. Voting in general meeting :-

(1) All resolutions which are put to vote at the general meeting shall be decided by a majority of the members present and voting unless otherwise required under Act, these Rules or the bye-laws of the Multi-State Co-operative Society. Voting shall be by show of hands unless a poll is demanded by at least ten members present at the meeting. If no poll is demanded, a declaration by the Chairman/President of such meeting that a resolution has been carried or lost and an entry to that effect in the minutes of the proceedings shall be conclusive proof of the fact that such resolution has been duly carried or lost.

(2) If a poll is demanded, the votes shall be taken by ballot as may be decided by the Chairman of the meeting unless otherwise specified in the bye-laws in this behalf, and the result of the poll shall be deemed to be the decision of the general meeting regarding the resolution over which the poll is demanded.

(3) When a poll is taken, the number of members voting for or against a resolution shall be recorded in the minutes of the proceedings.

(4) In the case of equality of votes whether on a show of hands or on a poll, the Chairman of the meeting at which show of hands takes place or the poll is taken, shall have a second or casting vote.

26. Minutes of the general meeting :-

Minutes of the proceedings of the general meeting shall be entered

in a minutes book kept for the purpose and shall be signed by the Chairman of the meeting. The minutes so signed, shall be an evidence of the correct proceedings of that meeting.

27. Procedure for conduct of elections :-

(1) Notwithstanding anything contained in these rules, and without prejudice to the generality of the powers of the Central Government under sub-section (1) of Section 35 , the election of the members of the board of directors of the National Co-operative Society specified in the Second Schedule to the Act and such other Multi-State Co- operative Society or class of Multi-State Co-operative Societies as the Central Government may, by general or special order, notify, shall be conducted by such returning officer or officers as may be appointed by the Central Registrar in this behalf. The election in such societies shall be conducted in the manner specified in Schedule.

(2) Notwithstanding anything contained in sub-rule (1) where a requisition to appoint a returning officer to conduct an election is received from not less than 1/5 of the total number of members eligible to vote in a Multi-State Co-operative Society sixty days in advance of the date for election, the Central Registrar shall appoint a returning officer to conduct election in the manner specified in the Schedule.

28. Election of office-bearers :-

As soon as the members of the board have been elected, the returning officer referred to in sub-rule (1) of Rule 27, or the person presiding over the general meeting, as the case may be, shall, notwithstanding anything contained in the bye-laws of the Multi-State Co-operative Society specifying the period of notice, convene a meeting of the newly elected members of the board for the purpose of election of the President Chairman, Vice-President /Vice-Chairman or other elected office-bearers of the society, by whatever name they are called. Such a meeting of the board shall not be conducted unless a majority of the number of members of the newly constituted board, as per bye-laws, are present.

29. Custody of record of elections conducted :-

After declaration of the result of election, the returning officer, (referred to under sub-rule (1) of Rule 27) or the Chairman of the meeting, as the case may be, shall handover the ballot papers and records, if any, relating to the election of the members of the Board

of Directors and the office-bearers to the Chief Executive of the Multi-State Co-operative Society in sealed cover. They shall be preserved by the Chief Executive of the society for a period of six months from the date of election or till such time a dispute or an appeal thereof regarding elections, if any, is disposed of, whichever is later, and shall thereafter be destroyed.

30. Restrictions and conditions for payment of honorarium to the Chairman and the President :-

A Multi-State Co-operative Society may provide in its bye-laws for the payment of honorarium to the elected Chairman or President of the Board of Directors, out of profits, in respect of specific services rendered by him, on such scale as may be laid-down in the bye-laws of such a society, but in no case exceeding the limit and terms and conditions hereunder referred to :

- (a) that the society's financial position is sound ;
- (b) that for its recurring expenses it does not depend on grants or subsidies from the Central Government or the State Government ; and
- (c) that the honorarium to be paid, whether as a consolidated amount or in the shape of daily allowance in respect of the days of halt at the head quarters, in addition to the sitting fees in respect of board meetings as and when such meetings are held, is limited to rupees twenty-five thousands per year.

31. Central Government or State Government nominees on the board :-

(1) Where the Central Government or the State Government has subscribed to the share capital of a Multi-State Co-operative Society, or has guaranteed the repayment of principal and payment of interest on debentures issued by such society, or has guaranteed the repayment of principal and payment of interest on loans and advances to such society, or has provided grant or subsidy to such society, the Central Government or the State Government, as the case may be, or any other person authorised by the Central Government or the State Government, shall have the right to nominate on the board such number of persons not exceeding 3 or 1/3rd of the total number of members thereof, whichever is less.

(2) Notwithstanding anything contained in these rules, the bye-laws of a Multi-State Co-operative Society may provide for the

nomination by the Central or State Government of persons in excess of the limits referred to in sub-rule (1).

32. Additional measures and Acts to be undertaken by the board :-

The board may take any of the measures or do any of the acts mentioned below as may be necessary or expedient for the purposes of carrying out its functions under the Act and the Rules made thereunder :

- (i) placing before the general body the annual report and the audit report;
- (ii) recommending the distribution of profits to the general body ;
- (iii) taking decisions on matters relating to withdrawals, transfer, retirement, refund or forfeiture of shares ;
- (iv) purchasing, selling, or otherwise acquiring or disposing of movable property of such value as may specified in the bye-laws ;
- (v) laying down criteria for determining defaults by members ;
- (vi) determining the terms and conditions of collaboration with other co- operative societies and others;
- (vii) sanctioning of contracts of any values, unless otherwise specified in the bye-laws of a Multi-State Co-operative Society ;
- (viii) appointment of trustee or trustees, attorney or attorneys, agent or agents for the business of the Multi-State Co-operative Society ;
- (ix) acceptance or rejection of resignation from the members of the board.

33. Meeting of the board :-

(i) The board shall meet at least once in every quarter, provided that the total number of the meetings of the board shall not ordinarily exceed six in a year.

Provided further that this provision will not apply to Multi-State Thrift and Credit Societies.

(ii) The meeting of the board of the Multi-State Co-operative Society shall ordinarily be held at the registered office of such society.

34. Committees of the board :-

(i) The board of a Multi-State Co-operative Society may constitute an Executive Committee and other committees or sub-committees as may be considered necessary.

(ii) Besides the Executive Committee, the number of other committees or sub-committees referred to in sub-section (1) of Section 46 shall not exceed two.

Provided that the board may with the approval of the Central Registrar constitute more than two Committees.

35. Constitution of National Co-operative Societies Selection Committee :-

(1) The Central Government shall constitute a body to be called the National Co-operative Societies Selection Committee (hereinafter referred to as the Selection Committee) consisting of the following persons :

(i) The Secretary to the Government of India Department of Agriculture and Co-operation Chairman;

(ii) The Additional Secretary to the Government of India Department of Agriculture and Co-operation dealing with Co-operation Member ;

(iii) Chairman of two National Co-operative Societies to be nominated by the Central Government Member ;

(iv) One expert in the management to be nominated by the Central Government Member;

(v) The Managing Director, National Co-operative Development Corporation Member;

(vi) Central Registrar of Co-operative Societies Member Secretary.

(2) The Selection Committee shall prepare a list of persons eligible for appointment to the post of the Chief Executive and other managerial posts in the National Co-operative Societies, the maximum pay-scale of which exceeds rupees four thousand per month in the manner hereinafter provided.

(3) The Central Registrar shall, on the requisition received from the National Co-operative Society, convene the meeting of the Selection Committee for the purpose of preparation of list for the

appointments to the post or posts for which the requisition has been received.

(4) The Selection Committee shall,-

(a) take appropriate steps to advertise, circulate or otherwise call for the names for the posts referred to in sub-rule (2) ;

(b) screen the names received and prepare list of persons, after interview if necessary, suitable for appointment for the said posts in order of merit and forward it to the Central Government for its onward transmission to the concerned National Co-operative Society ;

Provided that in the case of the existing Chief Executive or persons employed in other managerial posts in the National Co-operative Society on the date of the coming into force of these rules, who are in regular employment of the society, no such reference to the Selection Committee will be necessary.

Provided further that in the case of the Chief Executives or persons employed in other managerial posts who are on deputation with the National Co- operative Society on the date of the enforcement of these rule 2, a reference to the Selection Committee shall be necessary on the expiry of the terms of deputation of such Chief Executives or persons.

(5) The National Co-operative Society shall appoint the persons to the post of the Chief Executive and other managerial posts mentioned in sub-rule (2) from the list of persons recommended by the Selection Committee.

(6) The Selection Committee may co-opt two experts at the time of selection of persons according to the requirements of posts or category of posts for which the list of persons is to be prepared.* *

* *

CHAPTER 5

SETTLEMENT OF DISPUTES

36. Procedure in proceedings before Central Registrar :-

(1) A reference to the Central Registrar of any dispute under Section 74 shall be in writing. Every such reference shall be accompanied with a fee of rupees ten for the money claims not exceeding rupees one thousand and rupees fifty in all other cases.

(2) On receipt of a reference under sub-rule (1) the Central Registrar may elect to decide the dispute himself or refer it for disposal to any other person who has been invested with powers of the Central Registrar under Section 76 by the Central Government.

(3) The Central Registrar or other person deciding the dispute shall record a brief note of the evidence on the parties and witnesses who appear before him and upon the evidence so recorded and after consideration of any documentary evidence produced by the parties, a decision shall be given in accordance with justice, equity and good conscience by the Central Registrar or other person deciding the dispute. The decision given shall be in writing. In the absence of any party duly summoned to attend, the dispute may be decided ex-parte. Ex-parte decision may, on sufficient cause for non-attendance being shown, be set aside by the Central Registrar or other person deciding the dispute, and the dispute ordered to be re-taken on the register of disputes and disposed of:

Provided that no application for setting aside an ex-parte decision shall lie unless made within thirty days from the date of such decision and the party for whose non-attendance such decision was made had been duly served with the notice, or in other cases within thirty days from the date of knowledge of such decision having been made.

(4) The decision shall be communicated to the parties by,-

(i) Pronouncement of the decision ; or

(ii) Registered post to any party which may be absent on the date the decision is given.

(5) The Central Registrar or the person deciding the. dispute, shall have power to appoint or remove a guardian for the party to the dispute, if any such party is a minor or a person with unsound mind or mental infirmity, and is incapable of protecting his interests.

(6) A duly certified copy of the decision shall, on application, be given to the parties to the dispute by the Central Registrar or the person deciding the dispute, on payment of copying charges at the rate of rupee one per page. * * * *

CHAPTER 6

APPEALS AND REVISIONS

37. Appeals against order of Central Registrar :-

For the purpose of Clause (a) of sub-section (2) of Section 90 of the Act, an appeal against any decision or order shall be made if the decision or order was made by :-

(a) the Central Registrar appointed under sub-section (1) of Section 4 of the Act, to the Secretary to the Government of India in the Department of Agriculture and Co-operation ;

(b) any officer of the Central Government or any officer of the State Government of the rank of Registrar on whom powers of the Central Registrar have been conferred under sub-section (2) of Section 4 of the Act, to the Additional Secretary to the Government of India in the Department of Agriculture and Co-operation ;

(c) any other officer of the State Government on whom powers of Central Registrar have been conferred under sub-section (2) of Section 4 of the Act, to the Chief Director (Co-operation) in the Ministry of Agriculture and Co-operation.

38. Procedure regarding appeals and application for revision :-

(1) An appeal under sub-section (2) of Section 90 or an application for revision under Section 92 shall be either presented in person or sent by registered post to the appellate or revising authority.

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

(3) Every appeal or application for revision shall :-

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

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

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

(d) state precisely the relief which the appellant or the applicant claims ; and

(e) give the date of order appealed for or sought to be revised;

(4) Where-

(a) an appeal under sub-section (2) of Section 90 is preferred after the expiry of sixty days specified in the said sub-section, or

(b) an application for revision under sub-section (1) of Section 92 is made after the expiry of ninety days from the date on which the decision or order to which the application relates is communicated to the applicant. It shall be accompanied by a petition supported by an affidavit setting forth the facts on which the appellant or the applicant relies to satisfy the appellate or revising authority that he had sufficient cause for not preferring the appeal or the application for revision within the period mentioned in Clauses (a) and (b).

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

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

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

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

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

(7) The appellate or revising authority may, before passing orders under Section 90 or under Section 92 obtain from any subordinate officer such further information in regard to the enquiry or the proceedings for the purpose of verifying the regularity of such proceedings or the correctness, legality or propriety of any decision passed or order made therein. The appellate or revising authority may also call for and obtain from the parties connected with such enquiry or proceedings such information as is necessary with reference to the examination of the records of enquiry or proceedings and the information obtained from the subordinate officer.

(8) The appellate or revising authority shall on the basis of the enquiry conducted and with reference to the records examined,

pass such order on the appeal or on the application for revision as may seem just and reasonable.

(9) Every order of the appellate or revising authority under sub-section (2) of section 90 or Rule 92 shall be in writing and it shall be communicated to the appellant or applicant and to such other parties as in the opinion of that authority are likely to be affected by the decision or order and to the officer concerned against whose order the appeal of the application for revision was made.

39. Application for review :-

(1) Every application under Section 93 shall be in the form of a memorandum setting forth concisely and under distinct heads the new and important facts which after the exercise of due diligence, were not then within the knowledge of the applicant or could not be produced by him when the order was made or mistake or errors apparent on the face of the record or other reasons on the basis of which review is sought. It shall be accompanied by evidence.

(2) The application shall be accompanied by the original or a certified copy of the order to which the application relates.

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

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

SCHEDULE 1

SCHEDULE

1. Procedure regarding conduct of elections to the board of Multi- State Co-operative Societies :-

Notwithstanding anything contained in the rules, and without prejudice to the generality of the powers of the Central Government in sub-section (1) of the Section 35 , the election of the members of the board of directors of National Co-operative Societies specified in the Second Schedule to the Act and such other Multi-State Co-operative Societies or class of Multi-State Co-operative Societies, as the Central Government may, by general or special order notify, shall be conducted by such returning officers as

may be appointed by the Central Registrar in this behalf. The election in such societies, shall be conducted in the manner hereinafter provided :

2. Election Programme :-

(a) The board of directors in office shall meet sixty clear days in advance of the date of expiration of its term and by resolution determine the date, time and place for convening a general body meeting for the conduct of elections of its successor board. This provision will apply mutatis mutandis to such Multi-State Co-operative Societies as are under the charge of the administrator appointed under sub-section (1) of Section 48 .

(b) A copy of the decision referred to in sub-paragraph (a) shall forth with be sent to the Central Registrar.

(c) On receipt of the decision referred to in sub-paragraph (b), the Central Registrar shall appoint a returning officer under sub-section (1) of Section 35 . The returning officer shall, shortly thereafter, send intimation by local delivery or by registered post about the day, time and place of the general meeting to each of the members of the Multi- State Co-operative Society. Where other co-operative societies or Multi- State Co-operative Societies are members, the returning officer shall call on such societies to send the name of their Chairman or President or the Chief Executive as a representative (hereinafter referred to as the delegate) in accordance with the provisions contained in sub-section (3) of Section 29 together with the resolution of the board of the society and the specimen signature of the Chairman, President or the Chief Executive duly attested and bearing the seal of the society so as to reach him at least 21 clear days prior to the date fixed for the general meeting. Where, there is no board of such co-operative society or other Multi- State Co-operative Society the administrator, by whatever name called, of such co-operative society or other Multi-State Co-operative Society shall intimate the returning officer in writing under his signature at least 21 clear days prior to the date fixed for the general meeting that he shall represent such society in the general meeting. Where no such resolution or communication intimating the name of delegate is received by the date fixed or where any intimation changing the name of the delegate is received after such date it shall not be accepted for inclusion in the list of members/delegates of member-societies. Fresh resolutions shall be required for every general meeting at

which election shall be held.

(d) It shall be the duty of the board of directors in office, or the administrator, as the case may be, to bring up-to-date the register of members and such other registers, as the returning officer may require and handover such records, register or registers to the returning officer thirty days prior to the date fixed for the general meeting for the purpose of election.

(e) The election shall be held at a general meeting of the society convened for the purpose, of which not less than fourteen days notice shall be given to the members. Such elections shall take place after all other matters included in the agenda have been considered. For the conduct of elections, the returning officer shall preside over the meeting.

(f) The notice of the general meeting shall be sent to the members by any of following modes, namely :--

(i) by local delivery ;or

(ii) by registered post.

(g) Notice of the general meeting shall also be affixed on the notice board of the Multi-State Co-operative Society and its branches, if any. The notice shall contain information regarding :-

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

(ii) the area of the constituency (specified in the bye-laws) from which the members are to be elected;

(iii) the qualifications, if any, specified in the bye-laws for eligibility for membership on the board;

(iv) the name of the returning officer, date-place and the hours between which nomination papers shall be filed by the members, such date being not less than one clear day before the date fixed for election or if that happens to be a holiday the day preceding which is. not a public holiday.

Explanation :-For the purpose of this sub-paragraph the term "public holiday" means any day which is declared as a public holiday under Section 25 of the Negotiable Instruments Act, 1881(26 of 1881) or any day which has been notified by the Central Government, or as the case may be, the State Government to be a public holiday for the offices of the Central Government or

the State Government

(v) the date on which and the time and place at which the nomination papers will be taken up for scrutiny;

(vi) the date and time of withdrawal; and

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

3. Preparation of list of members/delegates :-

(a) The Multi-State Co-operative Society shall prepare a list of members eligible to vote as it stood on the date, thirty days prior to the date fixed for the poll and publish copies of the list by affixing them on the notice board at the head office of the society and all its branches, if any, not less than fifteen days prior to the date fixed for election. The list shall specify :-

(i) the admission number and name of the member, the name of the father or husband, and the address of such member in the case of an individual member; and

(ii) the admission number, the name of the society, name of the delegate proposed to represent the society, in the case of a member society.

(b) A copy of the list shall be supplied by the society to any member on payment of such fee as may be specified by the board. Where no fees has been specified, the person authorised as per bye-laws of the society shall supply such list on payment of an amount of rupees five.

4. Nomination of candidate :-

(a) Nomination of the candidate for election shall be made in the Nomination Form attached to this Schedule which on application shall be supplied by the returning officer or any other officer authorised by him in this behalf, to any member free of cost.

(b) Every nomination paper shall be signed by two members whose names are included in the list of the members/delegates. One of the members shall sign the form as proposer and other as seconder for the nomination. The nomination paper shall also contain a declaration signed by the candidate, expressing his willingness to stand for election.

(c) Every nomination paper shall be presented in person or sent by registered post, as acknowledgement due, by the candidate himself or his proposer or seconder to the returning officer or any person authorised by him in this behalf, so as to reach him before the date and hour specified in the notice of meeting as per paragraph 2(g). The returning officer or any officer authorised by him who receives the nomination paper shall enter on the nomination paper its serial number and certify the date and hour at which the nomination paper is received by him and shall immediately give a written acknowledgement for the receipt of the nomination papers if presented in person, which shall also bear the seal of the society. The returning officer shall, at the close of the time fixed for the receipt of nomination papers, prepare and display on the notice board of the society-a list, of nominations received by him. Any nomination paper which is not delivered or received on or before the date and time fixed for its receipt, shall be rejected.

(d) No person shall be nominated as a candidate for election to fill a seat on the board if he :

(i) is ineligible to vote;

(ii) is disqualified to be the member/delegate under the provisions of the Act or a member of the board under these rules ; and

(iii) does not possess the necessary qualifications specified in the bye-laws of the society for election as member of the board

5. Scrutiny of Nomination Papers :-

(a)

(i) On the day fixed for the receipt of nomination papers, the returning officer shall, at the appointed hour, take up the scrutiny of nomination papers. The candidate or the proposer or seconder of each of the candidate may be present at the time and place when nomination papers are scrutinised.

(ii) The returning officer shall examine the nomination papers and shall decide all objections which may be made by any candidate or his proposer or seconder in respect of any nomination and may, either on such objection, or on his own motion and after such summary enquiry, if any as he thinks necessary, reject any nomination.

Provided that the nomination of a candidate shall not be rejected

merely on the ground of an incorrect description of his name or the name of his proposer or seconder or of any other, particulars relating to the candidate or his proposer or seconder, as entered in the list of members referred to in paragraph 3(a), if the identity of the candidate, proposes or seconder, as the case may be, is established beyond reasonable doubt.

(iii) The returning officer shall endorse on each nomination paper his decision accepting or rejecting the same as the case may be, and if the nomination paper is rejected, he shall record in writing a brief statement of his reasons for such rejection.

(iv) The returning officer shall not allow any adjournment of the proceedings except when proceedings are interrupted or obstructed by riot or affray or by cause beyond his control

(v) The list of valid nominations as decided by the returning officer shall be published on the notice board of the society containing the names in the alphabetical order in English and address of the candidate as given in the nomination paper on the same day on which the scrutiny of the nomination paper is completed.

(b) Any candidate may withdraw his candidature by notice in writing signed by him and delivered in person or by his proposer or seconder at any time after the presentation of the nomination papers but before the date and time specified in paragraph 2(g)(vi) for such withdrawal. A notice of withdrawal of candidate once given shall be irrevocable.

6. Voting :-

(a) If for any area or constituency for which election is to be held, the number of candidates whose nomination papers have been declared valid, does not exceed the number of candidates to be elected for that area or constituency, the returning officer shall at the general meeting convened for the purpose of the election, declare them to have been duly elected to the board. If the number of candidates whose nominations are valid exceeds the number to be elected for any area or constituency, the returning officer shall arrange for conducting a poll on the date and time fixed for the purpose. The returning officer may appoint as many polling officers as may be necessary for conducting the poll.

(b) A candidate contesting the election may, by a letter to the returning officer, appoint an agent to represent him where polling

is held, to identify the votes and to watch the recording of votes. Such letter shall contain the consent in writing of the agent concerned.

(c) Convassing of votes by any person at the place where elections are to be conducted shall be prohibited.

(d) Immediately before the commencement of the poll, the returning officer shall show the empty ballot box to such persons as may be present at the time and shall then lock it up and affix his seal in such manner as to prevent its being opened without breaking the seal. The candidate or his agent may also affix his own seal, if he so desires.

(e) Every member/delegate who desires to exercise his right of vote shall be supplied with a ballot paper containing the names of contesting candidates arranged in alphabetical order either printed, type-written or cyclostyled, according to convenience, on the ballot paper. The ballot paper shall also bear the seal of the society and also the initial of returning officer and further contains a column, for the voter to inscribe a mark 'X' against the name or names of the persons to whom he wants to vote.

(f) Each polling station and where there is more than one polling booth at a station, each such booth shall contain a separate compartment in which the members/ delegates can record their votes in secrecy.

(g) Every member who desires to exercise his votes shall enter the polling station with an identity card, if any, given to him. The polling officer shall identify the member by putting questions to him with reference to the list of members/delegates eligible to vote in the polling station. furnished to him. If the polling officer is satisfied about the identity of the member and if there is no objection from any candidate or his polling agent present at the polling station, he shall issue a ballot paper to him On receipt of such ballot paper, the member shall proceed to the polling compartment set apart for he purpose and indicate the person or persons in whose favour the exercises his vote by inscribing a mark 'X' against the name of the candidate or candidates, as the case may be, and put the ballot paper in the ballot box kept for the purpose with utmost secrecy. If owing to blindness or other physical infirmity or illiteracy a member is unable to inscribe the mark on the ballot paper the polling officer, and where no such

polling officer is appointed, the returning officer shall ascertain from him the candidate or candidates, in whose favour he desires to vote, inscribe the mark 'X' on his behalf and put the ballot paper in the ballot box.

(h)

(i) Every member whose name is entered in the list of members/ delegates eligible to vote, furnished to the polling officer is entitled to poll his vote, unless there is a challenge by the candidate or his agent against his identity. If there is such a member or if the polling officer feels any reasonable doubt, he shall then refer the matter to the returning officer who shall make a summary enquiry and decide the question with reference to the books of the society.

(ii) The returning officer shall not entertain any challenge by a candidate or his polling agent, of a members identity until the person who challenges pays fee of Rs. 5 (Rupees five only) for every such vote, in cash. The returning officer shall thereafter entertain the challenge and ask the member who has come to poll the vote to affix his thumb- impression or signature, as the case may be on a declaration describing his identity. If he refuses to do so, the member shall not be allowed to vote. If, on the other hand, as a result of such summary enquiry the identity of the member is established to the satisfaction of the returning officer, the polling officer shall issue ballot paper, and the member shall then be allowed to vote. In such cases the challenge fees paid shall be forfeited. At the end of the poll, the returning officer, shall render an account of challenge fees collected, fees refunded to the persons who challenged and the fees forfeited to the society together with a brief note on the decision arrived at by him after the summary enquiry in each case.

(i)

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

(B) Where the poll is stopped under Clause (A) or where counting of votes is rendered impossible on account of destruction or loss of ballot boxes or anyother sufficient reason, the returning officer shall stop the polling recording the reasons for such action in the minute

book of society.

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

(k) The counting of votes shall take place immediately after close of the poll. If this is not possible for reasons beyond the control of the returning officer, the ballot box shall be sealed with the seal of the returning officer and of the contesting candidates or of their agents, if they so desire, and deposited with the society for safe custody. The returning officer shall then announce and also intimate in writing to the candidates or their agents present the time and place at which the counting shall commence next day. Votes shall be counted by or under the supervision of the returning officer. Each candidate and his authorised agent shall have a right to be present at the time of counting. But the absence of any candidate or his agent at the time of the counting shall not vitiate counting or announcement of result by the returning officer.

7. General :-

(a) A ballot paper shall be rejected by the returning officer, if:

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

(ii) it does not bear the seal of the society or the initial of the returning officer; or

(iii) the mark indicating the vote thereon is placed in such manner as to make it doubtful to which candidate the vote has been cast ; or

(iv) is so damaged or mutilated that its identity as a genuine ballot paper cannot be established ?

(b) If after the counting of the votes is completed, an equality of votes is found to exist between any candidates and the addition of one vote will entail any of those candidates to be declared elected, the returning officer shall forthwith decide between these candidates by lot and proceed as if the candidate on whom the lot falls had received an additional vote and declare him elected.

(c) After the returning officer has completed the counting of votes,

he shall prepare a return of the results of the polling and shall forthwith declare the results. The returning officer, shall immediately thereafter record the proceedings of the election in a comprehensive report which shall form part of the records of the society and shall be binding on all. A copy of such a report together with a copy of the return of the result of polling, shall be submitted by the returning officer to the Central Registrar.

8. Mode of election of members of the board of Multi-State Co-operative Societies other than those referred in paragraph :-

(1) The election of the members of a Multi-State Co-operative Society not falling under paragraph 1 shall be by show of hands.

(2) The election shall be held at a general meeting of the Multi-State Co-operative Society convened for the purpose, of which not less than 14 clear days notice shall be given to the members. The notice of the general meeting shall be sent to the members by any of the modes specified in sub-paragraph (f) of paragraph 2 and shall contain information regarding :-

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

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

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

(3) the board of directors or the administrator or administrators appointed under sub-section (1) of Section 48 , as the case may be, shall prepare a list of individual members and delegates of member-societies as it stood on the date, 30 days prior to date on which elections are to take place and affix a copy thereof to the notice board of the society not less than 15 days prior to the date Fixed for the election. A copy of the said list shall be supplied by the society to any member on payment of such fees as may be specified by the board, or the administrator, as the case may be. Where no fees has been specified, the President/Chairman of the society, or the administrator shall supply such list on payment of Rs.2:

(4) Notwithstanding anything contained in this Schedule, the President/ Chairman or the Vice President/Vice-Chairman if they are

not candidates seeking election to the board, shall preside over the meeting, in case they are seeking election to the board, the general body shall elect a member who is not a candidate seeking election to the board, as the Chairman of the meeting for the conduct of elections.

Provided that in respect of a society falling under this rule for which an administrator has been appointed under sub-section (1) of Section 48 , the administrator shall be the Chairman of the meeting.

(5) The nomination of the candidates for election shall be made at the meeting. The Chairman of the meeting shall decide the objections, if any, which may be made at the time to any nomination after making such summary enquiry as he thinks necessary and announce the names of candidates as per valid nominations.

(6) If for any area or constituency for which election is to be held the number of candidates in respect of whom valid nominations have been announced does not exceed the number of candidates to be elected for that area or constituency, the candidates for whom valid nominations have been announced shall be deemed to have been elected for that area or constituency, as the case may be, and the Chairman of the meeting shall make a declaration to that effect. If the number of candidates in respect of whom valid nominations have been announced for any area or constituency exceeds the number of candidates to be elected, a poll shall be taken and the Chairman shall then read out the names of the contesting candidates. He shall thereafter record the number of votes polled for and against each such candidate, ascertained either by show of hands or by ballot, as the case may be, and record the same in the minute book of the society. The Chairman shall announce the number of votes polled by each candidate and the result of the elections which shall also be recorded in the minutes book of the society and attested by him.

(7) Where secret ballot is demanded by the members of the general body a formal resolution to this effect will be put to vote and adopted. The meeting shall adjourn for a brief period to enable the Chairman to make arrangements for the secret ballot.

(8) After counting, the general body shall again assemble where the results of the poll shall be announced as in Clause (6) of

paragraph 8.

(9) Elections of the boards of societies which has to be conducted by returning officer on requisition from the members. Notwithstanding anything in sub-paragraph (1) of paragraph 8, where a requisition to appoint a returning officer to conduct an election is received from not less than one-fourth of the total number of members on the rolls and eligible to vote in a Multi-State Co-operative Society, sixty days in advance, the Central Registrar, shall appoint a returning officer to conduct election in the manner specified in paragraphs 2 to 7.

9. Election of office-bearers :-

(1) As soon as the members of the board have been elected, the returning officer referred to in paragraph 1, 2 and 9, or the President /Chairman referred to in paragraph 8 shall, notwithstanding anything in the bye-laws of the Multi-State Co-operative Society specifying the period of notice, convene a meeting of the newly constituted board for the purpose of election of the President /Chairman. Vice- President/ Vice-Chairman or other elected office bearers of the society, by whatever name they are called. Such a meeting of the board shall not be conducted unless a majority of the number of members of newly constituted board, as per bye-laws, are present.

(2) At the meeting so convened by the President /Chairman referred to in paragraph 8 (under sub-paragraph (1) the members of the newly constituted board of Multi-State Co-operative Societies shall from among themselves, elect a member who is not a candidate seeking election to any office, as the Chairman of the meeting for conducting the elections. The election of office-bearers of such Multi-State Co-operative Societies shall by show of hands unless a poll is demanded in which case, it shall be held by secret ballot.

(3) The election of office-bearers of the societies referred to in paragraphs 1 and 9 shall be conducted by the returning officer appointed by the Central Registrar. The nomination of the candidates for election in such cases shall be made at a meeting of the newly constituted board of directors. The returning officer shall decide the objections if any, which may be made at the time, to any nomination and after making such summary inquiry, as he thinks necessary, announce the name of valid nominations.

(4) If for any office for which elections are to be held the number of candidates in respect of whom valid nomination have been announced, does not exceed the number of candidates to be elected for that office, the candidates for whom valid nomination have been announced shall be deemed to have been elected, for that office and the returning officer shall make a declaration to that effect. If the number of candidates in respect of whom valid nominations have been announced for any office exceeds the number of candidates to be elected, a poll shall be taken by the returning officer. The returning officer shall, thereafter, announce the number of votes secured by each candidate and the result of election which also be recorded by him

10. Custody of record of elections conducted :-

After declaration of the result of election, the returning officer referred to under paragraph 1, 9 and 10 of the Chairman of the meeting under paragraph, 8 as the case may be, shall handover the ballot papers and records, if any, relating to the election of the members of the board of directors, and the office bearers to the Chief Executive of the Multi-State Co-operative Society in sealed covers. They shall safely be preserved by the Chief Executive of the society for a period of six months from the date of election or till such time a dispute of an appeal thereof regarding elections, if any, filed is disposed of, whichever is later, and shall thereafter be destroyed.