

# THE ANDHRA PRADESH CO-OPERATIVE SOCIETIES RULES, 1964<sup>1</sup>

**G.O.Ms.No. 1941, Food and Agriculture Department,  
dated 27th July, 1964 :—**

In exercise of the powers conferred by sub-section (1) of Section 130 of the Andhra Pradesh Co-operative Societies Act, 1964, the Governor of Andhra Pradesh hereby makes the following Rules, namely:—

**1. Short title and extent:—**

- (i) These Rules may be called the Andhra Pradesh Co-operative Societies Rules, 1964.
- (ii) They shall extend to the whole of the State of Andhra Pradesh.

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

- (a) 'Act' means the Andhra Pradesh Co-operative Societies Act, 1964 ;
- (b) 'Decree' means the order, decision or award in respect of any amount referred to in sub-section (1) of Section 70 of the Act ;
- (c) 'Decree-holder'<sup>1</sup> means any society or person including the Government holding a decree ;
- (d) 'Default' means failure on the part of the society, member or other person, to repay to the financing bank or any other society a loan or any other amount due to it within the time fixed for re-payment, or to return to the society within the time fixed, the finished goods in respect of raw-material advanced, or to keep any other obligation for the fulfilment of which a time limit has been specified in the bye-laws ;
- (e) 'Defaulter' means any society, member or other person committing default;
- (f) 'Defunct society' means a society classified as defunct in the final audit by the Chief Auditor ;
- (g) 'Form' means a form appended to these rules ;
- (h) 'Owned capital' means the paid-up share capital, reserve fund and any other reserve which has been created out of profit and not withdrawable without previous permission of the Registrar ;
- (i) 'Person' includes the Government and a society ;

1. Pub. in A.P. Gazette, Rules Supplement to Part II at pages 197 to 285, dated 30.7.1964.

- (j) 'Primary society' means a society whose membership consists of:-
  - (i) individuals
  - (ii) individuals and Government ; or -
  - <sup>1</sup>[(iii) the individuals and societies, not belonging to the same class ; or
  - (iv) individuals and the financing Bank.]
- (k) 'Registrar of the district' means a person authorised by the Registrar to exercise, in the district or any portion thereof, powers of the Registrar under Section 70 ;
- (l) 'Sale officer' means an officer of the Co-operative Department <sup>2</sup>[xxx] <sup>3</sup>[or an officer of any Co-operative Society] empowered by Registrar by general or special order to attach and sell the property of defaulters or to execute decision/orders of Registrar of the district or to execute or to carry out any other orders of Registrar of the district in regard to the attachment and sale of the property ;
- (m) 'Supervising union' means a society which has as its principal object, the organising, developing and supervising of societies which are its members, or the carrying on of propaganda or the spread of education in co-operative principles and practices ;
- <sup>4</sup>(n) 'Training institute' means a society the main object of which is to conduct courses of training in theory and practice of co-operation and allied subjects ;]
- <sup>5</sup>(o) 'Working capital' includes such portion of the reserve fund, other reserves appropriated out of profits, paid-up share capital, loan and deposits received by a society and debentures issued, by a society, as have not been locked up in buildings and other fixed assets outstanding overdues and accumulated losses.]
- <sup>6</sup>(p) 'Benami loan' means a loan sanctioned on an application with forged signature and forged documents and also includes a loan sanctioned, but not disbursed to the person to whom it is sanctioned and in respect of which no demand is issued for payment.]

**<sup>7</sup>[2A. Co-operative Principles:—**

- (i) A cooperative is an association of persons united voluntarily to meet their

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1. Subs. by G.O.Ms. No. 267, F & A (Co-op, IV) Dept., dt. 24.3.1976.  
 2. Omitted by G.O.Ms.No. 613, F & A, (Co-op. IV), dt. 22.8.1991.  
 3. G.O.Ms. No. 613 (Co-op. IV), dt. 23.8.1991.  
 4. Subs. by G.O.Ms.No. 2368, F & A (Legn.), dt. 13.12.1968.  
 5. Subs. by G.O.Ms.No. 1083, Agrl. & Co-op. (Co-op. IV), dt. 1-12-2003.  
 6. Added by G.O.Ms.No. 102 (Co-op.IV), dt 27.2.1986 Vide R.S. to Part II (Ext.), A.P. Gazette, dated 10-3-1986.  
 7. Added by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.

common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise.

- (ii) Basic Cooperative principles are:
- (a) **Voluntary and Open Membership:**— Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
- (b) **Democratic Member Control:**— Cooperatives are democratic organisations controlled by their members, who actively, participate in their policies and making decisions. Men and women serving as elected representatives are accountable to the membership.
- (c) **Member Economic Participation:**— Members contribute equitably to, and democratically control, the capital of their cooperative.
- (d) **Autonomy and Independence:**— Co-operatives are autonomous, self-help organisations controlled by their members.
- (e) **Education, Training and Information:**— Cooperatives provide education and training for their members, elected representatives, managers, and employees so that they can contribute effectively to the development of their cooperatives.
- (f) **Cooperation Among Cooperatives:**— Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.
- (g) **Concern for Community:**— Cooperatives work for the sustainable development of their communities through policies approved by their members.

**Values:** Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.]

### 3. **1[Procedure for Registration of a Society:—**

- (i) Every application for the registration of a society shall be made in Form A and shall be duly signed by the applicants and shall be accompanied by:
- (a) Two copies of the proposed Bye-laws of the society;
- (b) A list of persons who have come forward to organise the society with their names and father or husband name, residential address and share amount and entrance fee contributed by them;

1. Subs. by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.

- (c) A sworn statement in Form - prescribed from each applicant;
- (d) a scheme setting out the economic soundness of the proposed society; and
- (e) such other documents as may be specified, by the Registrar from time to time.
- (ii) Where the applicant is a registered society, a member of committee or president of such Registered Society shall be authorised by the committee by a resolution to sign the application and the bye-laws for registration on its behalf, and a copy of such resolution shall also be appended to the application.
- (iii) The application shall be sent to the Registrar by Registered post or delivered in his office in person.
- (iv) Upon receipt of an application for registration of a society, the Registrar shall examine the application, the bye-laws and shall discuss with the applicants their responsibility for attainment of the objects of the society.
- (v) The prescribed conditions of minimum membership and minimum share capital as specified by him have been fulfilled; and
- (vi) the bye-laws adopted by the general body are not contrary to the provisions of the Act and rules framed thereunder;
- (vii) He may make such alteration as he may deem necessary, in the proposed bye-laws of the society.
- (viii) If the Registrar is satisfied that the proposed society has complied with the above requirements, he shall register the society and its bye-laws.
- (ix) Where the Registrar has registered a society under sub-rule (viii), he shall issue to such society, free of cost, a certificate of registration signed by him and bearing his official seal. He shall also issue to the society along with the certificate of registration, a certified copy of the bye-laws as approved and registered by him, which shall be the registered bye-laws of the society for the time being in force. A copy of the certificate together with a copy of the bye-laws shall be furnished to the financing bank concerned, if any.
- (x) Where the Registrar is not satisfied, he shall pass an order of refusal together with the reasons therefor and communicate it by registered post with acknowledgement due to the applicants.
- (xi) Any decision to register the society under sub-rule (viii) or any refusal of an application for registration of a society under sub-rule (x), shall be made;
- (a) in the case of primary society, within a period of 45 days, and
- (b) in the case of any other society, within a period of 60 days from the date of receipt of the application.”

**FORM - A**  
**(Under Rule 3)**

Application for Registration of a Cooperative Society under the Andhra Pradesh Cooperative Societies Act, 1964.

To  
The Registrar  
.....  
.....

Sir,  
We the undersigned being eligible to become members, apply for the Registration of Cooperative Society with ..... liability, under the title of..... having its registered office at..... Mandal..... District..... and its bye-laws.

- (2) We are enclosing two copies of the said bye-laws duly signed by us together with the following documents:
- (a) a list of persons who have come forward to organise the society with their names and father's names, address and share amount and entrance fee contributed by them.
  - (b) a scheme showing the details, explaining as to the economic soundness of the society.
  - (c) a copy of the resolution authorising a member of the society to sign the application on behalf of the society in case the applicant is itself a registered society.
  - (d) the name and address of the person to whom correspondence regarding registration or other matter be addressed.
- (3) We also declare that the information given above including the enclosures, is correct to the best of our knowledge and belief.

**Note:—** Where all the applicants are individuals, not less than ten who have attained the age of majority and are of sound mind and each being a member of a different family should attest the application and the bye-laws. Where the applicant is a society, the application and the bye-laws should be signed by a member duly authorised in this behalf by such society.

Witnesses:

- 1.
- 2.

Signatures

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

**Certificate**

Certified that the ..... society has deposited an amount ofRs. .... on ..... in the ..... bank towards share capital.”

Signature of Bank Manager with Stamp.

**Sworn Statement by Applicant**  
**(Under Rule 3)**

I,..... h/s/d/w/o. .... Aged ..... Years residing at ..... For the past ..... years hereby declare that I do not possess any disqualification as specified under Section 21 of the A.P. Coop. Societies Act VII of 1964 and the Rules framed thereunder. I also declare that I have read the Cooperative Societies Act, Rules and the bye-laws and I am familiar with the rights, duties and obligations of membership and am willing to discharge them to the best of my ability in the interest of the cooperative society and its members and the society at large, that I shall always strive to further the interests of the cooperative society and the cooperative movement in general and I shall not do any acts of omission or commission which will bring me, my society and the cooperative movement to disrepute.

Place :

Date :

Signature of the Applicant.

- 1.Witness with address.
- 2.Witness with address.

- Signature.
- Signature.

**1[3A. Transitory Provision for the Societies Provisionally Registered:—**

Where a society has obtained a provisional registration under Rule 6 (now omitted) and the final registration is pending, such society shall file application for registration afresh as per these Rules.

Provided further that the provisional registration shall be valid for a period of 3 months with effect from the date of notification of this rule, after which the provisional registration shall automatically lapse.]

**4.Model bye-laws:—**

- (i) It shall be competent to the Registrar to frame model bye-laws for each class or classes of societies and to suggest modifications thereto, from time to time.
- (ii) Such model bye-laws shall be adopted by a society with such modifications, if any, as may be suggested by the society and agreed to by the Registrar.

**2[5. Subject-matter of bye-laws:—**

The bye-laws of a society shall not be contrary to the provisions of the Act and rules and may deal with all or any of the matters specified below and with such other matters incidental thereto as may be deemed necessary by the society:—

- (1) the name and address of the society;
- (2) the area of its operation;
- (3) the objects of the society;
- (4) the purpose for which its funds are applicable;
- (5) the payment, if any, to be made or the interest to be acquired as a condition for exercising the right of membership;
- (6) the nature and extent of the liability of the members for the debts contracted by the society;
- (7) the circumstances under which the withdrawal from membership shall be permitted;
- (8) the procedure to be followed in cases of withdrawal, ineligibility or death of members;
- (9) the privileges, rights and liabilities of a non-member;

1. Added by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.

2. Subs. by Ibid.

- (10) the nature and amount of the share capital, if any, of the society and where there is a share capital, the maximum share capital which a single member can hold :

Provided that the value of the share in respect of Primary Agricultural Co-operative Societies and all other Agricultural Co-operative Credit Societies by whatever name they are registered, shall be Rupees Ten (G.O.Ms.No.355 (Agrl. & Coopn.) Department, dated 6.4.1995).

- (11) the extent and conditions under which the society may receive deposits and raise loans and the procedure to be followed on such borrowings;
- (12) the entrance and other fees and fines, if any, to be collected from members;
- (13) the maximum loans admissible to a member and the conditionalities and procedure to be followed in granting loans repayment or renewals thereof and in recovering loans from members subject to the terms and conditions imposed by the financing bank for such loans;
- (14) the conditions under which loans and extensions of time for the repayment or renewal thereof may be granted to members;
- (15) the terms on which the society may grant loans to another society or the employees of the society;
- (16) the consequences of default in payment of any sum due by a member;
- (17) the method of appropriating payments made by members from whom moneys are due;
- (18) the interest and dividend payable on paid-up share capital to members;
- (19) the policy regarding interest payable by the society on its borrowings and by the members on the loans granted to them;
- (20) in the case of productive and distributive societies, the procedure to be followed in purchasing and selling stores, raw materials and finished products and in respect of stock-taking;
- (21) The constitution and powers of the representative general body and the restrictions and conditions subject to which the representative body may exercise its powers;
- (22) The manner of holding meetings, the right of voting at such meetings and the manner of making or amending of bye-laws;
- (23) the constitution if the Committee, the appointment and removal of the other officers, and the duties and powers of the Committee and such officers, and the term of office of the Committee and the manner of election of the members of the Committee;
- (24) the method of recruitment, the conditions of service and the authority competent to fix, revise or regulate the scales of pay and allowances to be

- paid to the officers and servants of the society and the procedure to be followed in the disposal of disciplinary cases against them;
- (25) the mode of custody and investment of funds and the manner of keeping accounts;
  - (26) 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;
  - (27) Services available to the members and the minimum value of business to be transacted or minimum value of services or facilities to be utilised in a cooperative year by a member;
  - (28) The preparation and submission of the annual statements required by the Registrar and the publication of the same;
  - (29) The affiliating of a society to any other society and the charges to be paid in respect of such affiliation;
  - (30) the constitution and maintenance of various funds as required to be maintained under the provisions of the Act, rules or bye-laws;
  - (31) Constitution of supervisory council;
  - (32) Admission of Minors as members for purpose of providing services or benefits to them, specifying the nature and extend of such benefits as permissible under the laws applicable to such minors;
  - (33) Compulsory thrift to be collected from members specifying:
    - (a) Amount subject to Rule 18(2)(b)
    - (b) Periodicity of Collection
    - (c) Interest payable by society on such thrift
    - (d) Manner of linkage of thrift to eligibility of loans, terms & conditions of thrift including its refund to the member;
  - (34) Quantum, Nature, Manner and extent of business to be transacted with non-members; and
  - (35) Manner of preparation and display of the list of members eligible to vote in General Body or in election.

**6. <sup>1</sup>[Omitted by G.O.M.S. No. 37 of Agl & Coop (Coop.IV) dated 28.01.2002]**

**6A.<sup>1</sup>[Omitted by G.O.M.S. No. 37 of Agl & Coop (Coop.IV) dated 28.01.2002 ]**

**<sup>2</sup>[7. Change of form and extent of liability:—**

- (1) A society may, change its liability from unlimited to limited and vice versa or in terms of multiples of paid up share-capital.

1. Ommitted by G.O.Ms.No. 37, Agrl. & Coop. (Co-op. IV) dt. 28.1.2002.

2. Subs. by Ibid.

- (2) Subject to the provisions of Rule 8, the change of liability shall be effected by means of a resolution deciding to amend its bye-laws passed in this behalf at general meeting of the society indicating in clear terms the form and extent of the liability.

**<sup>1</sup>[8. Manner of giving notice in case of change of liability, transfer of assets, division, amalgamation or conversion, of a society:—**

- (1) Where a society is a member of federal society or is in receipt of assistance from a financing bank and intends to change the form or extent of liability under Section 11 or to transfer its assets and liabilities or to divide, amalgamate, or convert under Section 12, it shall obtain prior consent in writing of federal society or financing bank as the case may be.
- (2) A copy of the resolution shall be sent by the society to all its members and creditors giving them thirty clear days notice in writing inviting them to exercise their option as required under section 13.
- (3) Every notice under sub-rule (2), shall be sent to its members and creditors under certificate of posting.]

**9. <sup>2</sup>[Omitted by G.O.M.S. No. 37 of Agl & Coop (Coop.IV) dated 28.01.2002]**

**10. Procedure for amendment of bye-laws:—**

- (1) Every proposal forwarded to the Registrar for the registration of an amendment of the bye-laws shall be signed by the president and two members of the committee and shall contain the following particulars, namely:—
  - (a) the date of the general meeting at which the amendment was resolved;
  - (b) the number of days notice given to convene the general meeting;
  - (c) the total strength of the society as on the date of such meeting;
  - (d) the number of members present at such meeting ; and
  - (e) the number of members who voted for the amendment.
- (2) A copy of the resolution agreeing to the amendment of the bye-laws shall be furnished to the Registrar within a period of thirty days from the date of the meeting at which the resolution was passed.

**11.Procedure for direction by Registrar for amendment of bye-laws:—**

- (1) Where it appears to the Registrar that an amendment of the bye-laws of a society is necessary, he shall indicate the reasons therefor, and issue a notice calling upon the committee of such society to convene a general meeting to consider such amendment.

1. Subs. by Ibid.

2. Added by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.

- (2) The notice referred to in sub-rule (1) shall specify:—
- (a) the text of the bye-laws as existing and the bye-laws as proposed for amendment, or the new bye-law as proposed to be incorporated ; or the existing bye-law which is proposed for deletion ; and
- <sup>1</sup>[Provided that in case of enbloc amendments only a copy of the proposed model bye-law shall be notified along with the notice].
- (b) the period within which such amendment should be sent to the Registrar for registration after getting it passed by the general meeting.
- (3) Where a society files an objection to the proposed amendment, such an objection shall be duly considered by the Registrar and if the committee desires to be heard, it shall be given an opportunity of being heard. The Registrar may, after considering the representation of the society, register the amendment-

**<sup>2</sup>[11-A. Procedure in regard to division, amalgamation or liquidation of a Society:—**

The Registrar of Co-operative Societies shall publish the notification referred to in clause (e), sub-section (1) of Section 15-A and final order under sub-section (2) of Section 15-A by affixture in the office of the Divisional Co-operative Officer and in the respective Offices of the Society or Societies affected by such division, amalgamation, liquidation or transfer of area and also in the Gram Panchayat and Mandal Revenue Offices situated in the area of operation of societies affected by such division, amalgamation, liquidation or transfer of area.]

**<sup>1</sup>[11-B. Convening of General Body Meeting by Societies to consider the Notification issued by the Registrar under Section 15-A(1) and Notice under Section 16 (5) for adoption of Model Bye-laws:—**

Notwithstanding anything contained in the bye-laws of the Society the committee may convene the said general body meeting by affixing the notice in the office of the Society or branches if any, Panchayat Office and Mandal Revenue Office specifying the place, date and time.]

**12. Classification of Societies:—**

- (1) The societies may be classified as follows:—
- <sup>3</sup>[(a) Co-operative union ;
- (b) Credit society ;

- (c) Distributive society ;
- (d) Farming society ;
- (e) Housing society ;
- (f) Labour contract society ;
- (g) Marketing society ;
- (h) Processing society ;
- (i) Productive society ;
- (j) Supervising union ;
- (k) Training institute ;
- (l) Field labour society ;
- (m) Miscellaneous society:

(2) For the purpose of this rule—

- (a) “co-operative union “ means a society which has as its principal object the undertaking of co-operative education, propaganda and training ;
- (b) “credit society” means a society which has as its principal object the raising of funds to be lent to its members ;

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

- (c) “distributive society” means a society which has as its principal object the supply of the domestic and other requirements of its members for the consumption of such members ;
- (d) “farming society” means a society organised voluntarily by members comprising land owners who pool their land, man-power and other resources for joint cultivation and management with the primary object of increasing agricultural production and improving their living standards through self-help, mutual aid and institutional assistance. (Subs. by G.O.Ms.No. 8, F & A (Leg.), dt, 3.1.1969)
- (e) “housing society” means a society which has as its principal object the construction of houses for its members or the financing or facilitating the construction of houses by its members ;
- (f) “labour contract society” means a society which has as its principal object the securing and provisions of employment to its members by executing works with the help of its members or through them ;

1. Added by G.O.Ms.No. 91 (Co-op. IV), dt. 20.2.1987.

2. Added by G.O.Ms.No. 39 (Co.op.IV) dt. 27.1.1987.

3. Items (a) to (m) were subs. by G.O.Ms.No. 2834, F&A (Ag.), dt. 24.11.1965.

- (g) “marketing society” means a society which has as its principal object the arranging for the marketing of the agricultural and other produce or products of its members or the undertaking of the distribution of commodities and includes any society which has as its principal object the provision of facilities for the operation of a marketing society ;
- (h) “miscellaneous society” means a society not being an audit union or a supervising union, which does not fall under any other class of society in this rule ;
- (i) “processing society” means a society which has its principal object the undertaking of the processing of the produce or other raw-material of its members such as ginning, crushing, decorticating, pressing, hulling or curing and includes any society which has as its principal object the provision of facilities for the operation of a processing society ;
- (j) “productive society” means a society which has as its principal object the production of articles with the help of its members or through them or includes any society which has as its principal object the provision of facilities for the operation of a productive society ;
- (k) [Omitted by G.O.Ms.No. 2368, F & A (Leg.), dt. 13.12.196.]
- (l) “field labour society” means a society, the main object of which is to provide regular means of livelihood to its members who are landless labourers engaged in the industry of agriculture and to improve their living conditions.  
(Inserted by G.O.Ms.No. 2834, F & A (Leg.), dt. 24.11.1965.)
- (3) Every society shall be classified by the Registrar in accordance with sub-rules (1) and (2).
- (4) The Registrar may sub-divide any class of societies into categories with reference to the composition of their membership, the nature of business transacted by them or the goods handled by them or any other similar matter.
- (5) If any society classified as aforesaid is a federal society it may be further classified under any of the following heads, namely:—

- (a) Apex society ;
- (b) Central society ;
- (c) Primary society ;

**Explanation:**— For the purpose of this sub-rule:—

- (i) “apex society “ means a society whose area of operation extends to the whole of the State and which has as its principal object the promotion of principal objects and the provision of facilities of the operations of other societies affiliated to it ;

- (ii) “central society” means a society whose area of operation is confined to a part of the State and which has as its principal object the promotion of the principal objects and the provision of facilities for the operations of other societies affiliated to it ;
- (iii) “primary society “ means a society which is neither an apex nor a central society.
- (6) If any question arises as to the classification of a society the question shall be referred to the Registrar whose decision thereon shall be final.

**1[12-A. Societies for purpose of sub-section (2-A) of Section 19:—**

Any person duly qualified for admission as a member under sub-section (2-A) of Section 19, may apply for membership of any of the following societies in Form ‘J’.

- (i) Agricultural Co-operative Societies ;
- (ii) Multi-purpose Co-operative Societies ;
- (iii) Service Co-operative Societies ;
- (iv) Co-operative Rural Bank ;
- (v) Large-Sized Co-operative Societies ;
- (vi) Omitted by G.O.Ms.No. 229, dt. 4-5-1987;
- (vii) Farmers Service Co-operative Societies ;
- <sup>2</sup>[(viii) Fishermen Co-operative Societies ;
- (ix) Industrial Co-operative Marketing Societies ;
- (x) Block Level Co-operative Societies ;
- (xi) Primary Weavers Co-operative Societies ;
- <sup>3</sup>[(xii) Rural Electric Co-operative Societies ;

**4[13. Admission of minors as members in certain class of societies:-**

Any person who has not attained the age of majority may be subject to such restrictions or limitations as may be applicable to a minor under the provisions of any law for the time being in force, be admitted as member and be eligible for services and benefits as provided for in the Bye-laws of the societies concerned.

1. Inserted by G.O.Ms.No. 476, F & A (Co-op-IV), dt. 24.5.1976.
2. Added by G.O.Ms.No. 600, F & A (Co-op.IV), dt. 24..1.1978.
3. Added by G.O.Ms.No. 36, (Co-op.IV), dt. 20.1.1986.
4. Subs. by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.

**14. Admission of members into Co-operative Societies:—**

The name of every person admitted as member under sub-section (3) of Section 19, shall be entered in the admission register by the Chief Executive Officer of the society or the President where there is no Chief Executive Officer and he shall issue a photo identity card to every such person, at the time of his admission duly attested in the form prescribed hereunder:

- (a) Name of the Society
- (b) Name of the Member
- (c) Father/Husband's name
- (d) Age
- (e) Membership Number
- (f) No. of shares held
- (g) Whether belongs to SC/ST/BC/OC
- (h) Signature of the member
- (i) Seal of the Society and signature of the President/Chief Executive Officer.

**14 (1) Transitory Provision for existing associate or nominal members:—**

Every society having associate member or nominal member shall admit such persons as members provided they otherwise satisfy the conditions of membership and are eligible to become members as per the Act and Rules :

Provided that any associate member or nominal member admitted as such by a society is availing any benefit from the society or discharging any liability by virtue of his associate or nominal membership and who has not been made a member as provided in (1) above shall continue to be liable to discharge his/her obligation to the society till the loans borrowed or guaranteed by him or her are fully repaid or discharged and ,such person shall continue to be governed by the provisions of this Act and Rules even though he/she is no longer a member of the society.

- (2) An individual who seeks admission into an agricultural Cooperative Credit Society, shall hold agricultural land in the area of operation of the society, either as owner or as tenant. A tenant who seeks membership shall produce evidence of his tenancy in the form of an agreement witnessed by two members of the same society, showing details of survey no, extent and boundaries of land, duly certified by the Panchayat Secretary of the village concerned.

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1. Added by Ibid.

An individual as owner of agriculture land shall produce pattadar pass book or sale deed or certificate issued by the panchayat secretary of the village concerned showing details of survey no, extent boundaries of land.

**14-A. Transfer of shares of the members of Primary Agricultural Development Banks and admission of such members:—**

- (1) Notwithstanding anything in the Bye-laws of the Co-operative Central Bank, the bank shall transfer one share of each individual member of the erstwhile members of the Primary Agricultural Development Bank from out of the shares of such members of Primary Agricultural Development Banks developed on it to the Primary Agricultural Co-operative Society having jurisdiction where the immovable properties of the erstwhile members of Primary Agricultural Development Banks are situated, on application of the Co-operative Central Bank by such member.
- (2) On such transfer, notwithstanding anything in bye-laws of the Primary Agricultural Co-operative Society, such persons shall be deemed to be the members of such Primary Agricultural Co-operative Societies:

Provided that the provisions contained in sub-rules (1) and (2) of this rule, shall not apply if the erstwhile members are already members of the Primary Agricultural Co-operative Societies.]

**15. Restriction on holding of shares:—**

Where the liability of member of a society is limited by shares, no member, other than a society or the Government shall hold more than one tenth of the share capital of the society. (The Government in G.O.Ms.No. 734, Industries (E) Department, dt. 24th July, 1968 have fixed Rs. 20,000 as the maximum share capital that can be held by any individual member of a Co-op. Sugar Factory except the Palacole Co-op. Agricultural and Industrial Society Ltd.).

**16. Nomination of heir:—**

- (1) A member may nominate in Form I<sup>2</sup> any person or persons to whom, in the event of the death of the member, his share or interest in the profits or assets of the society be transferred, or the value thereof or any other moneys due to him from the society shall be paid. Such member may, from time to time, revoke or vary such nomination.
- (2) The number of persons so nominated shall not exceed the number of shares held by the member,
- (3) When a member nominates more than one person in respect of any shares held by him he shall, as far as practicable, specify the amount to be paid or transferred to each nominee in terms of a whole share.

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1. Added by G.O.Ms.No. 61, (F & A), (Co-op IV), dt. 6.2.1987.

2. The nomination Form I was prescribed by G.O.Ms.No. 2804, F & A (Ag.), dt. 24.11.1965.

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- (4) A nomination made by a member or any variation or revocation thereof shall not be valid and shall not, in the event of the death of the member, have effect unless:—
- (a) it is made in writing and is signed by the member in the presence of atleast two witnesses ; and
- (b) it is entered in the books of the society kept for the purpose.
- <sup>1</sup>[(5) (a) The nomination made by a member or any variation or revocation of the said nomination, made under this rule shall be entered in the books of the society within fifteen days from the date of the receipt of the nomination papers.
- (b) The nomination or any variation or revocation thereof so made shall be recorded on the share certificate issued by the society.]

**17. Procedure to be adopted when no nomination is made:—**

- (1) If no nomination has been made by a member, the society shall, on the death of a member by a notice exhibited at the office of the society invite claims or objections for transfer of the share or interest of the deceased member to an heir to legal representative within the time specified in the notice.
- (2) After considering the objections or claims if any, received in this behalf and after making such inquiries the committee considers necessary, it shall decide as to the person who in its opinion is the heir or legal representative of the deceased member, and to proceed to transfer the share or interest of the deceased member to such person, only.
- (3) In case of payment of the value of the share or interest or other moneys due to die deceased member, the committee shall obtain sureties for the amounts involved in such payments from two members of the society.

**<sup>2</sup>[18. Minimum business to be transacted or services or facilities to be utilised by a member of other societies:—**

No member of a society, shall have the right to stand as a candidate or to vote in any election to the society, unless he transacts the minimum value of business or utilises the minimum value of services or facilities as prescribed in the bye-laws, during a co-operative year :

Provided that a member of a society shall be eligible to exercise the right to vote only if he,—

- (a) subscribes a minimum share capital Rs. 300/-;

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1. Added by G.O.Ms.No 2834, F & A (Leg.) dt. 24.11.1965.  
2. Subs. by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.

- (b) Omitted by G.O.M.S. No. 223 dated 27.06.2005.
- (c) is a member of the society for a continuous period of 30 days from the date of admission into the society till the date of election notification by the Election Authority.
- (d) is not in default of any amount due in cash or kind to the society for a period exceeding three months; and
- (e) is not a delegate of a society which is under proceeding for de-registration or liquidation or classified as such in audit :

Provided further that a list of eligible members with right to vote and those without right to vote shall be prepared and displayed on the notice Board of the society and branches prior to holding of any General Body meeting or holding of elections in the manner as laid down in the bye-laws.

**Note:—** Ineligibility to vote does not amount to ineligibility to attend and participate in the meeting.]

<sup>1</sup>[Provided further that the Registrar may exempt or fix a lower amount of minimum share capital and or a lower amount of minimum thrift for any Society or a class of Societies depending upon the economic and social status of the members of the Society.]

**19. [Omitted by G.O.Ms.No. 117, F & A (Co-op. IV), dt. 20.3.1981.]**

**19-A. [Omitted by G.O.Ms.No. 531, F & A (Co-op. IV), dt. 18.7.1991.]**

**20. Removal of a member of a society who is disqualified:—**

- (1) If any person, who is admitted as a member of a society becomes disqualified under Section 21 to continue as such. the Registrar may, on his own motion or on a representation made to him by any member of the society or its financing bank by an order in writing, declare that he shall cease to be a member of the society from the date of such disqualification.
- (2) Before passing an order under sub-rule (1) the Registrar shall give such person an opportunity to state his objection, if any, for the proposed action and if the person wishes to be heard, he shall be given opportunity to be heard. The Registrar's decision shall be final and binding on the society and it shall not be questioned in any court.

**21. Constitution of a representative general body:—**

- (1) A society with limited liability may, if its area of operation extends to one or more revenue mandals or if its membership exceeds <sup>2</sup>[two thousand], provide

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1. Added by G.O.Ms.No. 87, Agr & Co-op. (Co-op.IV), dt. 7.4.2003, Pub. in A.P. Gaz. RS to Pt. II, Ext. No. 13, dt. 17.4.2003.  
2. Subs. by G.O.Ms.No. 1728, F & A, dt. 25.6.1965.

in its bye-laws for the constitution of a representative general body as prescribed.

- (2) Where a society so provides in its bye-laws to constitute a representative general body, it shall with the previous approval of the Registrar, divide its members into different groups on a territorial or other basis.
- (3) The bye-laws of such society may specify the number or proportion of the members of the representative general body who may be elected to represent each such group—
  - (a) by all the members of the society ; or
  - (b) by only that particular group of members of the society to which such representative belongs.

**1[21-A. Constitution, powers and functions of supervisory council:—**

- (1) The supervisory council shall comprise of 3 members from General Body, other than Managing Committee members, and 3 other experts who may not be members of the society who shall be chosen by general body from amongst:
  - (a) Chartered Accountant
  - (b) Person with Banking experience or legal background
  - (c) Veteran Co-operator
  - (d) Experts connected with the Business of the Society.
- (2) The President of the Managing Committee shall be Chairman of the Council.
- (3) The powers and functions of the council shall be:
  - (a) Review of Functioning of society according to the Co-operative principles.
  - (b) Review implementation of General Body resolutions.
  - (c) Review the functioning of the society conforming to the prudent financial and business management practices;
- (4) Chief Executive Officer of the society shall be the convenor of the meetings and he shall maintain records of deliberations and recommendations of the council and place them before the managing committee and general body for their consideration.
- (5) Supervisory Council can request any Managing Committee member to attend meetings.

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1. Added by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.

- (6) The Supervisory Council will act in an honorary capacity.
- (7) The Supervisory Council may also invite financial institutions or Apex level federations/Non-Governmental Organisations or Government Departments.
- (8) The expert members of the supervisory council are entitled for Travelling Allowance/Daily Allowance to be fixed by the General Body.
- (9) The Council shall meet once in 3 months in the head office of the society.
- (10) No present or past employee of the society shall be a member of Supervisory Council."

**21-B. Preparation of list of defaulters and its publication:—**

- (1) It shall be the responsibility of the Chief Executive Officer of the society to issue notices to all defaulters at the beginning of each half-year indicating the loan disbursed, amounts overdue, repaid and balance overdue (Principle & Interest separately) and indicate the date before which they should repay failing which their names shall be included in the list of defaulters published and will be placed before the ensuing General Body.
- (2) The Managing Committee before convening the General Body shall finalise the list of defaulters in descending order of the amount due and place it on the notice board of the society and at its branches and the names of defaulters shall be read out in the General Body with amounts due by them."

Also provided that if any member of the Managing Committee or the Board is a defaulter the Chief Executive Officer of the society or Chairman where there is no Chief Executive Officer shall inform the Registrar immediately so that the Registrar would take necessary action as per the Act and Rules.

**1[22. Conduct of Elections to the Co-operative Societies:—**

Notwithstanding anything in the bye-law of the societies election to the committee of all classes of societies, shall be in the manner laid down in this rule.

- (1)(a) The incumbent Managing Committees shall themselves conduct and hold elections to societies which are not in receipt of State aid as specified under Section 43 of the Andhra Pradesh Cooperative Societies. Act, 1964 as per the procedures laid down in their bye-laws well before the expiry of the term of the existing Managing Committees. Such societies, if they so desire may request the Registrar of Cooperative Societies to conduct elections in which case the Registrar of Cooperative Societies shall conduct the elections as per bye-laws and for which purpose the society shall pay the fee as prescribed

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1. Subs. by G.O.Ms.No. 15, Agrl. & Coop. (Co-op.IV), dt. 15.1.2002.

in Rule 48 of the Andhra Pradesh Cooperative Societies Rules, 1964. The request to Registrar of Cooperative Societies shall be made at least sixty (60) days before the expiry of the term of the committee and the Registrar of Cooperative Societies shall hold elections before the expiry of the term of the Managing Committee.

- (b) In the case of the societies that are in receipt of state aid as specified under Section 43 of the Act, the Registrar shall hold elections to them before the expiry of their term of the committee subject to the provisions in these rules schedule and regulations that the government may make from time to time.

**(2) Appointment of Election Officers :**

- (a) The Registrar and the Collector of the District shall be the election authority for the society or class of societies and the election officer shall be from the class of officers specified in the Table below.

**Table**

Election Authority	Election Officer	Class of Societies
1. Registrar	1. Officer of the Cooperative Department not below the rank of Deputy Registrar  2. Any Gazetted Officer.	1. Societies specified in Section 31(3)a) of Andhra Pradesh Co-operative Societies Act, 1964 2. Any society to be sospecified by the Govt.
2. District Collector of the District in which Head Office of societies is situated	Any employee of the Govt.	All other classes societies in the District except those specified under Item (1) and (2) above

- (b) The Election Authority shall appoint an Election Officer for each society at least forty five (45) days prior to the expiry of the term of the Managing Committee for the purpose of conducting elections. The fixation of Election Schedule shall be as prescribed below.
- (i) The Election Officer shall issue the communication of election and requisition for production of records and voters list of the society stipulating a time schedule for fulfilling the requisition to the society within three days from the date of receipt of his/her appointment orders.
- (ii) The Chief Executive Officer or President of the society where there is no Chief Executive Officer shall prepare and publish the list of members eligible to vote within seven (7) days after receipt of the communication from the

Election Officer. It shall indicate the serial number, name of member, father's Name, Village / Locality, age, community. Sex (Male/Female).

- (iii) The Chief Executive Officer or President of the society shall invite the claims or objections from the members within seven (7) days thereafter.
- (iv) The Chief Executive Officer or President of the society shall communicate the list of members eligible to vote to the Election Officer within three (3) days thereafter.
- (v) A copy of the list shall be supplied to any contesting candidate on payment of actual cost as may be fixed by the society.
- (vi) After receipt of the final list of members eligible to vote from the society, the Election Officer shall verify the cases and satisfy himself that the list conforms to the criteria for eligibility to vote as laid down under the Act and Rules and publish the final list of voters along with the schedule as prescribed in Form-1.
- (vii) The Election Officer shall receive nominations in the prescribed Form-11 at the specified place, date and time.
- (viii) The Election Officer shall scrutinise the nominations on the next day and publish the same by display on the notice board of the society.
- (ix) The Election Officer shall allow withdrawal of the nominations by the candidates upto 5.00 PM of the following day on which the valid nominations are published.
- (x) The Election Officer shall publish the final list of contesting candidates on the day of withdrawal, after expiry of time allowed for withdrawal of nominations along with the symbols allotted.
- (xi) The Election Officer shall hold the poll within a period of seven (7) days thereafter.
- (xii) Repoll shall be held if necessary within two days thereafter. No fresh nominations shall be allowed unless repoll is on account of the death of contesting candidate in which case on receipt of intimation of death of a candidate, the election officer shall call for fresh nominations from candidates. He shall allow two (2) days for receipt of nominations, scrutiny and withdrawal. Then conduct the repoll within two days thereafter.
- (xiii) Counting shall take place immediately after the close of Poll or repoll as the case may be, as may be notified by the Election Authority and results shall be declared immediately on completion of counting.
- (xiv) The Election Officer shall call for nominations for the other office bearers like President, Vice President, Secretary etc., within three (3) days thereafter.

- (xv) Scrutiny of the nominations shall be made in the morning of the day notified for the purpose and the valid nominations shall be published forthwith not later than 12 noon on the same day.
- (xvi) Withdrawals shall be allowed on the same day till 2 PM and the final list of nominations shall be published by 2.30 P.M. on the same day.
- (xvii) Voting for the office bearers shall be held on the same day from 3, to 5 PM and the results declared after counting is over on the same day.
- (3)(a)** The Election Officer shall issue the notice of general meeting to all the members for conduct of elections by one or more of the following methods namely;
- (i) Circulation of Pamphlets among the members.
  - (ii) Publishing in the local print media.
  - (iii) Proclaiming through beat of Tom-Tom or announcement on Loud Speakers;
  - (iv) Notice of the general meeting shall also be affixed on the notice board of the Head Office of the society and all its branches if any.
  - (v) Publishing in such public places of importance such as Gram Panchayat, Mandal Revenue Office, Mandal Parishad office, Municipal Office and also the places where polling is proposed to be held.
- (b) The cost of publication of this notice shall be borne by the society.

**(4) Nominations of Candidates :**

- (a) Nomination for candidature shall be made in Form-11. A candidate may file two nomination papers.
- Provided that a candidate for constituency may be a person whose name is included in the voters list of any constituency and the proposer and seconder shall be persons whose names are included in the voters list of that constituency only.
- (b) Every nomination shall be signed by one proposer and one seconder who shall be eligible members on the voters list. A member can either propose or second one candidate only.
- (c) Every nomination paper shall be presented in person by the candidate himself and by his proposer or seconder to the election officer or the person authorised by him in this behalf before the date and hour specified in the notice of general meeting along with declaration in Form-11 and fees, as indicated in the Table below which is non-refundable. The members claiming to be Scheduled Caste/ Scheduled Tribes /Backward Class shall produce the caste certificate issued by the competent Authority. The nominations shall be received on a day which is not a Public Holiday.

**Table**

**Nomination Fees prescribed (in Rupees)**

Sl. No	Class of Society	S.Cs.	S.Ts.	B.Cs.	Others
(1)	For Village level societies and Primary Agricultural Credit societies (and all other Primary Societies)	100	100	200	400
(2)	For Urban Banks and other Central Societies	200	200	400	1000
(3)	District Level Societies and	400	400	800	2000

- (d) The Election Officer shall receive the nomination paper and shall give the acknowledgement detaching it from the Form-11. He shall also enter on the nomination paper serial No. and date and hour at which the nomination paper is received by him and shall immediately give the written acknowledgement for the receipt of the nomination papers. The acknowledgement shall also bear the seal of the society.
- (e) The Election Officer shall at the close of the time fixed for the receipt of nomination papers prepare and display on notice board of the society, a list of nominations received by him in Form-III
- (5) Scrutiny of nomination papers:—**
- (a) On the date and time fixed for scrutiny of nomination papers, the Election Officer shall at the appointed hour take up the scrutiny of the nomination papers. The candidate and his proposer or seconder are eligible to be present at the time of scrutiny. Absence of candidate or his proposer or seconder will not render the nomination invalid purely on grounds of non presence.
- (b) The Election Officer shall scrutinise the nomination papers candidate-wise and shall decide all objections made if any or suo-motu enquire of eligibility as he thinks necessary.
- (c) The nomination of candidate shall not be rejected on the ground of incorrect spelling of name or the name of the proposer or seconder or any other particulars relating to them as entered in the list of eligible voters, if their identity is otherwise established beyond reasonable doubt.
- (d) The Election Officer shall endorse on each nomination paper, his decision accepting or rejecting as the case may be and if the nomination paper is rejected he shall record in writing his reasons in brief for such rejection.

- (e) Omitted by GO.Ms. No. 223 dated 27.06.2005.
- (f) Immediately after scrutiny is completed he shall publish list of valid nominations received in the Form-IV as appended to these rules and those rejected in Form-V as appended to these rules on the notice board of the society containing the names in the alphabetical order in Telugu starting with Surname or family name as indicated in the nomination form.

**(6) Withdrawal of Nominations:—**

Any candidate may withdraw his candidature by notice in writing in Form VI as appended to these rules signed by him and delivered in person to Election Officer within the period prescribed in the Election Notice. Such notice of withdrawal once given shall be final and irrevocable.

**(7) Final List of valid nominations:—**

Final list shall be prepared and published in alphabetical order in Telugu in Form-VII duly allotting symbols to each candidate. Under the Telugu name the name in English or Urdu language as the case may be shall also be written.

- (8)** The Ballot papers shall be prepared according to Form-VIII as appended to these rules in consonance with Sub-Rule (7).

**(9) Voting and Declaration of Results :**

- (a) If the number of the candidates whose nominations are valid does not exceed the number of vacancies to be filled by election, the election officer shall declare them to have been duly elected as Managing Committee Members on the date and time on which the final list of valid nominations are published. 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 Election Officer shall forthwith declare them to have been duly elected. The term of the office of such candidates shall be reckoned from the date of declaration of elections as notified by the Election Officer in Form-I or publication of final results by the Election Officer. If the number of candidates whose nominations are valid exceeds the number to be elected for any area or constituency, the election officer shall arrange for conducting a poll at the place on the date and time and at the place fixed for the purpose.
- (b) A candidate contesting the election, may, by a letter to the election officer, appoint an agent to represent him where polling is held. Request for appointing agents shall be made in Form-IX. The agent as well as the candidates shall be given a pass which will authorise the candidate and the agent to enter polling booth and counting centre. The pass for the agent will be valid for the booth allotted to him and "he is prohibited to move from booth to booth or

canvassing within the 200 Mts. of the premises where the booth is located. On the date of polling where polling is held in more than one booth, a candidate will be permitted to appoint his agent to be present in the booth to assist the polling officer in identification of voters. Such an agent will not be allowed to move from one booth, to the other and such an agent shall display his pass on his person during his presence in the booth. The candidate and his agent if any shall always display their pass on the person during the entire process of election.

- (c) Canvassing of votes by any person on the date of poll at the place where elections are to be conducted shall be prohibited. The Election Officer shall determine the limits 200 mts. or more from the booth for prohibiting canvassing as per the public exigency and law and order situation and announce it or get it announced before commencement of the poll.
- (d) The requirement of number of booths and number of voters allotted to each booth be determined by the competent election authority.
- (e) Election Officer may appoint as many officers to conduct the poll as necessary but there shall be one presiding officer and two polling officers per booth such that
- (i) One Polling Officer will identify and verify the voters list.
- (ii) One Polling Officer will apply indelible ink on the middle finger of the left hand and issue Ballot Paper to the voter.

The Presiding Officer shall conduct all the proceedings at the booth, i.e., preparing and sealing of boxes, custody and maintaining records at the booth, as well as safety of election material, i.e., ballot paper and boxes after polling and ballot boxes till they are delivered to the Election Officer.

- (f) A booth shall contain a separate compartment or compartments in which the voters can record their votes in secrecy. The voter after affixing his vote shall put into the ballot box which shall be so placed to be under the constant attention of the Presiding Officer.
- (g) Immediately before the commencement of the poll, the election presiding officer shall show the empty ballot box to such persons as may be present at the time and shall then lock it up and 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 signature on the seal, if he so desires.
- (h) Every voter who desires to exercise his right of vote shall be supplied with a ballot paper, which may be either printed, typed or cyclostyled. The ballot paper shall bear the seal of the society and also the signature of the election officer. The ballot paper shall be in form-VIII as appended to these rules;
- (i) Every voter who desires to exercise his vote shall be allowed to do so on

proof of his identity such as photo identity card, given to him by the society. If the Polling officer is satisfied about the identity of the member with reference to eligible list of voters and if there is no objection from any candidate or his polling agent present at the polling station, he shall direct the member to put his signature or thumb impression in the election attendance register kept for this purpose at booth and then he shall issue a ballot paper to him. On receipt of such ballot paper, the voter shall proceed to the polling compartment set apart for the purpose and affix the mark X against the person or persons in whose favour he exercises his vote by inscribing or affixing a mark ;X; in the space provided in the ballot paper against the name of the candidate or candidates, as the case may be, and then fold the ballot paper and put the ballot paper in the ballot box kept for the purpose ensuring with utmost secrecy. . If owing to blindness or other physical infirmity a voter is unable to inscribe the mark on the ballot paper, the presiding officer, and where no such presiding officer is appointed, the election officer shall ascertain in secrecy 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.

- (j) (i) Every voter, whose name is entered in the list of voters/delegates eligible to vote, furnished to the polling officer, is entitled to cast his vote, unless there is a successful challenge by the candidate or his agent against his identity. If there is any challenge regarding the identity of the voter such a voter or if the polling officer feels any reasonable doubt, he shall bring the matter to the notice of the election officer or presiding officer who shall make a summary enquiry and decide the question with reference to the books of the society.
- (ii) The Election Officer/Presiding Officer shall not entertain any challenge by a candidate or his polling agent, of a voters identity until the person who challenges pays a fee of Rs. 10/- (Rupees Ten only) in cash for each challenge at the time of making a challenge. If challenge is made, the election officer or presiding officer shall entertain the challenge and ask the member who has come to vote to affix his thumb impression or signature, as the case may be on a declaration form describing his identity in the form as at Form-X(A). If the voter refused to do so, he shall not be allowed to vote. On making of the declaration, the election officer or presiding officer shall conduct summary enquiry, as a result of such summary enquiry, the identity of the voter is established to the satisfaction of the election officer or presiding officer, he shall direct the polling officer to issue ballot paper on entering his decision in Form-X(A) and the voter then shall be allowed to vote. If challenge is successful the fees paid shall be refunded. At the end of the poll, the election officer or presiding officer, shall render an account of challenge fees

collected, fees refunded to the persons who challenged and the fees forfeited to the society.

**Tendered Ballot Paper:—**

- (iii) If a person representing himself to be a particular voter applies for a ballot paper, and it is found that another person has already voted as that particular voter, the presiding officer/Election officer may put such questions relating to his identity and if he is satisfied as to the identity of the voter, then such person will be entitled to receive the ballot paper after signing his name against the entry relating to him in a Form-X (B). This will be called a tendered ballot paper. The tendered ballot paper shall be serially the last in the bundle of the Ballot Papers issued for use at the polling station. The Presiding Officer/Election officer shall endorse on the back of ballot paper with his own hand writing with words "Tendered Ballot Paper" and then sign. The voter may then mark the tendered ballot paper in the voting compartment and the ballot paper shall be given to the Presiding Officer /Election officer who shall place it in a cover specially kept for the purpose.
- (iv) If at any stage of the polling, the proceedings are interrupted obstructed by any riot or affray or if at such election it is not possible to take poll for any sufficient cause, the election officer shall have power to stop the polling, after recording his reasons for such an action. The Election authority shall fix date and time for repolling.
- (k) No voter shall be admitted after the hour fixed for the polling, but a voter who enters the premises where ballot papers are being issued before the close of the polling hour shall be issued a ballot paper and allowed to vote. After completion of poll the Presiding Officer shall furnish the Ballot paper Account in Form-XI to the Election Officer.
- (l) The counting of votes shall take place immediately after close of the poll at the polling booth itself. If however there are more than one polling station or where polling booths are at different locations, then at the end of poll the ballot boxes shall be brought to a common counting center and counting shall take place on the next day. In such cases sealed ballot boxes shall be brought to the counting centre by the presiding officer and-deposited in the safe custody. The election-officer shall then announce 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 election 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 election officer. If for any reason it is not possible to commence or continue the conduct of the counting of votes, the Election Officer shall fix another appropriate date, time and place for counting.

**(10) General:—**

- (a) At counting, a ballot paper shall be rejected as invalid, by the election 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 and the signature of the election officer; or
  - (iii) the mark indicating the vote thereon is placed in such manner as to make it doubtful to know to which candidate the vote has been cast; or 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 election officer shall forthwith proceed with the drawal of lots and the candidate on whose name the lot falls, will be deemed to have received an additional vote and the election officer will declare him elected. The list of successful candidates in the election shall be listed out in Form-XII and a copy of this form shall be given to each elected person.
- (c) The Election Officer shall immediately thereafter, record the proceedings of the election in the diary and this diary shall be a part of the minutes book of the society, which shall form part of the records of the society and these will be sent to the society by the Election Officer. A copy of this diary together with a copy of the Form-XI of the result of polling shall also be submitted by the election officer to the Registrar and Election Authority.
- (d) The Election Officer shall, immediately after the election are over remit the nomination fees, challenge fee, sale proceeds of voter list into the account of the society.

**(11) Election of President:—**

Notwithstanding anything contained in the bye-laws of the society, the election of the President of all classes of Primary societies shall be by all the members of the Managing Committee of the society. as provided under sub-section (5) of Section 31 of the Act.

**(12) Election of Office Bearers:—**

- (a) The election of office bearers of the society shall be held in the registered Head Office of the society. As soon as the members of the managing committee have been elected, the election officer, notwithstanding anything in the bye-laws of the society issue a notice, convene a meeting of the newly constituted Managing Committee for the purpose of election of

President or Vice-President, Chairman or Vice-Chairman, Secretary or other office bearers of the society, by whatever name they are called. This meeting shall be held not later than three (3) days from the date of election of the managing committee. The proceedings of such election of other office bearers shall be recorded in the minutes book of the society.

- (b) The procedure for conduct of election of the office bearers shall be as follows:

The Election Officer shall issue a notice in Form-XIII to the directly elected President and all members of the Managing Committee calling up on them to elect the office bearers of the society. This notice shall specify the mode and programme of conduct of elections. On the appointed day, between the hours of 9:00 to 11:00 hrs., nominations shall be received. The nominations shall have a proposer and seconder who shall be from the other elected members of the Managing Committee.

At 11:30 AM, the Election Officer shall scrutinise the nominations and put up on the notice board of the society the list of valid nominations. The withdrawals shall be permitted between 12:00 to 14:00 hrs. Notice of withdrawal shall be made in Form VI and presented to the Election Officer in person by the candidate. Final list of contesting candidates shall be published at 14:30 hrs., by the Election Officer. The polling shall take place between 15:00 to 17:00 hrs., and counting shall commence at 17:30 hrs., and results declared forthwith. The Election officer shall preside over such meeting. The quorum for the meeting shall be the majority of the members of the managing committee. If there is no quorum the election officer shall adjourn the meeting to the next day. In the adjourned meeting also if there is no quorum, the members present shall constitute the quorum.

**(13) Custody of Record of Elections Conducted:—**

After declaration of the election result, the election officer shall hand-over the entire record including ballot papers put in sealed covers to the Divisional Cooperative Officer in the case of primary societies and the District Cooperative Officer in case of other societies. The record shall safely be preserved by the Divisional Cooperative Officer or by the District Cooperative Officer for a period of six (6) months from the date of election or till such time a dispute or an appeal thereof regarding elections, if any, filed is disposed of, whichever is later, and shall thereafter be destroyed after obtaining permission from the Registrar.

**(14) Election Expenses:—**

Every society shall bear the total expenses incurred for conducting of elections and those societies, where Registrar conducts the election the expenses will be as prescribed by the Government or by the Registrar of Cooperative Societies from time to time. Where the Registrar conducts the elections, the Registrar shall calculate the expenses for the election and call upon the society to make payments within a period of forty five (45) days in advance.

**1[22(A) (I). Constitution of Committee of certain societies:—**

The constitution of the committee of the societies notified under clause (b) of sub-section (1) of Section 31 as specified in the proviso thereunder shall be constituted with the number of members as indicated in the Table below.

**Table**

Sl. No.	Class of Societies	Total No. of seats	SCs (W)	SCs (W)	STs	BCs	OCs	OCs (W)	By nomination
1	2	3	4	5	6	7	8	9	10
1.	Primary Agricultural Co-operative Societies including Large Sized Co-operative Societies and Rural Banks Farming Societies.	13	1	1	1	2	7	1	-
(i)	Nomination of two women members by the Registrar	2							
(ii)	Nomination of one Representative of minority community by the Registrar	1							
(iii)	Nomination of two official representatives of be nominated by the Registrar	2							
<b>Total</b>		<b>18</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>7</b>	<b>1</b>	<b>--</b>
2.(i)	Farmers Service Co-operative Societies	13	1	1	1	2	7	1	
(ii)	Nomination of Managing Director by Registrar	1							
(iii)	one representative of Financing Bank to be nominated by the Financing Bank	1							
(iv)	Official representative to be nominated by the Registrar.	1							

1. Subs. by G.O.Ms.No. 15, Agrl, & Coop. (Co-op.IV), dt. 15.1.2002.

(v)	Nomination of two women members by the Registrar	2	-	-	-	-	-	-	2
(vi)	Nomination of one representative of minority Community by the Registrar.	1	-	-	-	-	-	-	1
<b>Total</b>		<b>19</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>7</b>	<b>1</b>	<b>3</b>

**(3)Co-operative Central Banks**

(A)	Territorial Societies consisting of Primary Agricultural Co-operative Societies, Rural Banks, Large Sized Co-operative Societies, Farmers Service Co-operative Societies.	16	3	-	1	2	10	-	-
(B)	Functional Societies, Societies other than those in Group A. The employees Co-operative Credit Societies not to contest for more than one seat.	5	1	-	1	2	1	-	-
(C)	Official representatives to be nominated by Registrar	2	-	-	-	-	-	-	2
<b>Total</b>		<b>23</b>	<b>4</b>	<b>-</b>	<b>2</b>	<b>4</b>	<b>11</b>	<b>-</b>	<b>2</b>

**(4)District Co-operative Marketing Societies**

(A)	Primary Agricultural Co-operative Societies	6	1	-	1	1	3	-	-
(B)	Other Societies	4	1	-	-	1	2	-	-
(C)	Representative of District Co-operative Central Bank to be nominated by Registrar of Co-operative Societies.	1	-	-	-	-	-	-	1
(D)	Official representative to be nominated by Registrar of Co-operative Societies	2	-	-	-	-	-	-	2
<b>Total</b>		<b>13</b>	<b>2</b>	<b>-</b>	<b>1</b>	<b>2</b>	<b>5</b>	<b>-</b>	<b>3</b>

**(5) Co-operative Sugar Factories**

(A) By members out of 9 seats kept open to all (excluding the President) one seat shall be reserved for election of Small farmers in respect of constituency having largest number of small farmers.	14	2	-	1	2	9	-	-
(B) Employee Directors — by non-seasonal employees other than those in common cadre working on daily wages and Nominal Muster Rolls.	1	-	-	-	-	1	-	-
(C) Official Directors to be nominated by Government.	3	-	-	-	-	-	-	3
(D) Representative of Financing Banks	5	-	-	-	-	-	-	5
<b>Total</b>	<b>23</b>	<b>2</b>	<b>-</b>	<b>1</b>	<b>2</b>	<b>10</b>	<b>-</b>	<b>8</b>
(6) Primary Milk Producers Co-operative Societies	9	-	-	-	-	7	2	-
Primary Weavers Co-operative Societies	9	-	-	-	-	7	2	-
(7) Two Official Representatives nominated by the Registrar	2	-	-	-	-	-	-	2

(2) The constitution of the Committees of all other societies shall be in the manner as indicated in the bye-laws of the respective societies subject to any notifications issued by the Government under clause (b) of sub-section (1) of Section 31 of the Act:

**(3) Division of Constituencies:—**

(a) In the case of Primary Agricultural Co-operative Societies, such as Primary Agricultural Co-operative Credit Societies, Farmers Service Co-operative Societies, Large Sized Co-operative Societies. Co-operative Rural Banks and to such class of societies as specified by Registrar, constituencies shall be formed on territorial basis consisting of as many groups of contiguous Revenue Villages as are equal to the number of seats to be elected excluding the President. The eligible members in the society shall be arranged separately Revenue Village-wise and general number-wise within each Revenue Village. For the purpose of carving out the territorial constituencies the village wherein the seat of the society is located shall be the starting point. The contiguous Revenue Villages which are in the North-East direction should be grouped into different constituencies with the number of voters in each such

constituency being approximately equal. Any member remaining after such division shall be added to the last part. Where the number of eligible voters in a Revenue Village are to be allotted to more than one constituency, the general number shall be the criteria for dividing the electoral roll. Where the area of operation of the society is confined to a Revenue village or a part of the village, the electoral roll shall be divided into as many parts as there are members to be elected and each such part shall be a constituency and any members remaining after such divisions shall be added to the last part. The members in each such territorial constituency shall elect one member to the committee. The outgoing committee shall hand-over the territorial map of the society de-marking the villages in the area of operation and also furnish the list of total territorial constituencies with the list of members village-wise to the election officer.

(b) If for any reason it is not convenient to carve out the Constituencies as above, the Registrar for sufficient reasons to be recorded in writing may permit the specific cases, division of Constituencies based on serial number in the admission register:

Provided that, in respect of other societies other than specified above, the division of constituencies shall be done by concerned election authorities or any officer authorised on the basis of serial number of the admission register :

Provided further that, where there are no members belonging to Scheduled Castes or Scheduled Tribes or Backward Classes or Women in the society and there is a consequent reduction in the number of members to be elected, the electoral roll shall be divided only into as many parts as there are members to be elected after such reduction in the number and the seat or seats intended for the aforesaid castes, tribes or classes or women shall be filled in the manner specified.

(c) In the case of District Co-operative Marketing Societies, Co-operative Central Banks and Co-operative Sugar Factories where the electorate is divided into two or more categories, the members of the committee to be elected from each group shall be, elected by the voters in the respective category only.

(d) in the case of voters of Group "A" in Co-operative Sugar Factories the constituencies shall be formed on territorial basis consisting of as many groups of contiguous Revenue Villages equal to the number of seats to be elected where the number of voters are approximately equal and the committee shall be elected by the members in that constituency only.

**(4) Allocation of seats:—**

In the case of Co-operative Societies specified in sub-rule (3), the Election Authority shall allocate the seats of the Committee to be filled up by election

of members of Scheduled Castes, Scheduled Tribes, Backward Classes, and Women. The constituencies with largest number of voters belonging to Scheduled Castes, Scheduled Tribes, Backward Classes respectively shall be allocated to these Categories. The remaining Constituencies shall be filled up by open category members. For purpose of allocating seat of the committee to be filled by women among scheduled castes and open category member the constituencies with largest number of voters belonging to women from among the constituencies allocated to scheduled castes and open competition categories shall be allocated to scheduled caste women and open category women members:

Provided that in the case of Co-operative Sugar Factories the constituencies having largest number of voters belonging to small farmers shall be allocated to be filled by members belonging to that category respectively:

Provided further that where in any constituency the members belonging to schedule castes or scheduled tribes or backward classes are equal, such constituency shall be allocated in the same order of preference.

**(5) Co-option:—**

- (a) Where in any society no member belonging to a category of weaker sections and women was elected to the seat reserved for that category the Election Officer shall arrange by persons elected as members of the committee for co-option before election of the office bearers of the committee, an eligible member of the society belonging to the same category of weaker sections and women to fill up the seat reserved for that category.

Provided that in the case of a Co-operative Central Bank and a District Co-operative Marketing Society where no member of the society belonging to the same category of weaker section is elected the seat may be filled up by co-option from among the members of the committee of the affiliated societies in the same group and belonging to the same category of weaker sections.

- (b) Any vacancy that may arise due to non-filing of nominations or any casual vacancy that may arise during the term of office, shall be filled up by co-option by the member of the committee.
- (c) Where in any society no member belonging to a particular category of weaker sections and woman was elected to the seat reserved for that category and such vacancy cannot be filled up in the manner indicated in sub-rule (5)(a) and (b), the Election Officer shall arrange for persons elected as members of the committee to co-opt before election of office-bearers of the committee, an eligible member of the society belonging to the next category-of weaker sections in the order of scheduled castes, scheduled tribes, backward classes and women to fill up that vacancy. Where no member belonging to

scheduled caste woman could be elected nor co-opted, an eligible member belonging to that community irrespective of sex shall be co-opted.

- (d) In societies where elections are done constituency-wise the co-opted members shall belong to the constituency only.

**22-AA. : Nomination of two women by the Registrar. (Inserted by GO.Ms. No. 223, dated 27.6.2005)**

- (1) Two women members shall be nominated by the Registrar to the Primary Agricultural Co-operative Societies (including Large Size Co-operative Societies and Rural banks) from among Self help Group / Rytu Mitra Groups / Non - Government organizations. However, they shall not have right to vote.
- (2) The women members to be nominated as members of the committee shall be those who take part in the activities of the societies.
- (3) The Registrar shall call a short listed women members, belonging to Self Help Groups / Rytu Mitra Groups / Non - Governmental Organizations in the area of operation of all the credit societies in the districts from the Collectors, after due scrutiny. Considering the proposals of the Collectors and other representations / relevant factors, the Registrar shall issue the orders of nomination under the provisions of sub-Section (1) of section 31 of the Act within sixty days from the date of declaration of result of elections."

**22-AAA. <sup>1</sup>[Nomination of one representative of Minority Community by the Registrar. (Inserted by GO.Ms. No. 223, dated 27.6.2005)]**

- (1) One member from minority communities shall be nominated by the Registrar to the Primary Agricultural Co-operative Societies (including Large Sized Co-operative Societies and Rural banks) from among the members, (including associate Members) belonging to minority communities, of the society. However such member shall not have right to vote.
- (2) No member of minority community shall be nominated as member of the committee unless she / he.
- (a) is a member of the society; and
- (b) is qualified in accordance with the provisions of the Act to be a member of the committee.
- (3) In addition to the qualifications specified in clauses (a) and (b), the member to be nominated as member of the committee shall be one who takes part in the activities of the societies as prescribed in the bye-laws.

1. Omitted by G.O.Ms.No. 15, Agrl. & Coop. (Co-op.IV), dt. 15.1.2002.

- (4) The Registrar shall call for a short listed members belonging to minority communities of all the PACS, FSCS and other credit societies in the Diistricts from the Collectors. The Collectors shall furnish after scrutiny a short listed panel of eligible members belonging to minority community. Considering the proposals of the Collectors and other representations / relevant factors, the Registrar shall issue the orders of nomination under the Provisions of sub-section (1) of section 31 of the Act within sixty days from the date of declaration of result of elections.

**1[22-B. Mode of Election of Member of Committees of Weaker Section societies or societies having a small number of membership:—**

- (a) The Election Officer shall notify the date and time and place of election. The election will be held in the premises of the registered office of the society. The voting of the members of the committee of the weaker section societies or societies having a small number of membership may be done by show of hands at the general meeting convened for election. The mode and the procedure will be as follows.
- (i) Members will be admitted into the hall or premises on production of identity and after obtaining their signature or thumb impression in attendance register from 9.0 hrs to 11.00 hrs. At 11.30 hrs, the Election officer will announce the number and category of seats on the Managing Committee to be filled. For each seat / category, he will call for nominations and announce the names of the nominations received and conduct elections as detailed below :
- (ii) The Election officer will read out the names of each candidate contesting and he will call upon members to express their vote by show of hands. He will record the number of votes secured by each candidate and announce it after every count.
- Provided that those who have polled the maximum votes in descending order will be declared elected depending upon the number of seats to be filled.
- (b) If there is any disturbance in conduct of poll then the Elections Officer shall stop the proceedings and shall send a report to the Election Authority who will then order for conduct of repoll on any other day to be specified by issue of notice. In such circumstances, where polling was disturbed or where election authority is of the view that polling by show of hands is not possible, then the Election Authority may order for conduct of election by secret ballot. In such case, the procedure prescribed in the Rules for conduct of elections by secret ballot shall be followed through secret ballot.

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1. Subs. by Ibid.

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Notwithstanding the above, if the outgoing managing committee of the society desires to conduct elections by secret ballot, it shall request the Registrar to conduct the election by secret ballot by submitting its proposal 60 days before the expiry of the term of the managing committee and the Registrar shall conduct the election by following the procedure as given in these Rules.

- (c) **Election of Office bearers:(Inserted by G.O.Ms.No. 223)** The Election Officer shall preside over the meeting of the elected committee members, for conducting elections to the office bearers. The quorum for such meeting shall be majority of the elcted members of the committee. If there is no quorum, the Election Officer shall adjourn the meeting to a date fixed by him. If in the adjourned meeting also, there is no quorum, the members present shall constitute the quorum.
- (i) The election of office bearers of the society shall be by show of hands.
- (ii) The nomination of the candidates for elections shall be made at such meeting. The election officer shall decide the objections, if any, which may be made at the time of nomination and after making such summary inquiry as he thinks necessary, announce the names of valid nominations.
- (iii) If for any office 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 to that office, candidates for whom valid nominations have been announced shall be deemed to have been duly elected for that office and the election 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 show of hands and the election officer shall read out the names of the contesting candiddates for that office. He shall thereafter record the number of votes polled for each such candidate ascertained by show of hands and declare the candidates securing maximum votes polled as elected. The result of elections shall also be recorded in the minutes book of the society.
- (iv) After declaration of results of election of committee members and office bearers the election officer in brief shall send a report to the election authority along with results of elections.
- (v) The election officer shall within a period of two days after the election of office bearers, communicate by registered post or certificate of posting under his own seal to the society to which it is affiliated, the name and specimen signature of the President of such affiliated society.
- (vi) Any vacancy not filled by election on account of absence of nomination or any casual vacancy shall be filled by the committee by co-option.

**22-C.** (1) Notwithstanding anything contained in these rules, the Government or the Election authority may direct the postponement of elections under one or more of the following circumstances:—

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(i) Break down of law and order affecting the peaceful and lawful conduct of elections.

(ii) Any natural calamity that prevents the conduct of elections particularly, voters from participation in the election.

(iii) Where there is reasonable apprehension that voters will not be allowed to vote frankly and freely. .

- (2) The postponement shall be done only by issue of an order which shall specify the grounds of postponement. After such postponement the election process shall be recommenced when the conditions become conducive for re-commencing of election, by issue of an order by the Authority that has postponed the elections. The process will re-commence from the stage at which it was obstructed or interrupted.

#### **22-D. Election of District Co-operative Central Bank/Apex Societies/Sugar Factories:—**

(a) The Election Authority shall appoint the Election Officer not below the rank of Deputy Registrar not less than 7 days prior to the date of poll.

(b) Every Society shall bear the total expenses for conducting of elections

(c) Preparation of list of members eligible to vote:-

(i) in the case of Co-operative Sugar Factories where seats in the committee are reserved to weaker Section, it should be indicated in the Voter's list against the name of each person whether he belongs to Scheduled Caste, Scheduled Tribe; or Backward Class and also the total number of members and the number of Members from Scheduled Castes, Scheduled Tribes and Backward Classes voters among them. Further in the case of Co-operative Sugar Factories it should also be indicated whether a member is a small farmer.

(ii) In the case of an Apex-Society. Co-operative Central Bank and Dist. Co-op. Marketing Society, and any other society where other societies and institutions are members, the Managing Director or Secretary or the Business Manager and General Manager or Chief Executive, as the case may be, shall prepare and furnish to the Election Officer not less than four days before the date of poll a list containing the names of the delegates of affiliated societies and the individual members of the society.

(iii) The Managing Director or the Chief Executive of the Co-op. Sugar Factory shall prepare or cause to be prepared and publish a list of society members as provided in rules on the notice board of the factory whenever an election is to be held. Any member may file application requesting for inclusion or

deletion within four days from the date of publication before the Managing Director or the Chief Executive who shall dispose of the same within three days thereafter and publish the final list.

(iv) A copy of the voters list shall be supplied by the Election Officer or any person authorised by him in this behalf, to any member of the society who are in final list of nomination at a cost to be decided by the Election Officer.

#### **(2) Election Notification :**

(a) In the case of an Apex Society, Co-operative Central Bank, the District Co-op. Marketing Society and any other society where other societies and institutions are members, the election notification containing the particulars shall be issued not less than (3) three days before the date of poll in the manner as indicated in sub-rule (3)(vi) &(4) of Rule 22.

(b) In the case of an Apex Society, Co-operative Central Bank, the District Co-operative Marketing Society and any other society where other societies and institutions are members, the date of filing of nominations, scrutiny of nominations and publication of valid list of nominations shall be on the same day which shall not be less than two days before the date of Poll.

(c) The procedure for issue of election notification, receipt of nominations, scrutiny & withdrawal and also Polling Voting shall be followed as specified under Rule 22 of these rules.

#### **<sup>1</sup>[23. Quorum for meeting:—**

(1) Save as expressly provided in the Act no general meeting shall be held or proceeded with unless there is a quorum as specified in the bye-laws provided that the bye-laws shall not specify quorum which is less than <sup>2</sup>[1/10th] of the total members.

(2) The quorum for a meeting of the committee shall be the majority of the total members of the committee.]

#### **<sup>3</sup>[23-A. Meeting called by Registrar:—**

(1) The Registrar, may convene a general meeting of the society under sub-section (1-A) or under sub-section (5) (a) of Section 32, after giving due notice to the members, and date, time and place of the meeting and the subjects to be considered at the aforesaid meeting.

1. Subs. by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV) dt. 28.1.2002.

2. Subs. for "i/5th" by G.O.Ms.No. 821, Agrl. & Coop. (Co-op.IV), dt. 13.8.2004, w.e.f. 13.8.2004.

3. Ins. by G.O.Ms.No. 2834, F & A. (Leg.) Dept., Dt. 24.11.1965, and Subs. G.O.Ms.No. 102, (Co-op.IV), dt. 27.2.1986.

- (2) The notice of meeting shall be given by affixture in the office of the society, if any, and in case there is no office, in the Panchayat Samithi Office or Mandal Office or by publication in a local newspaper:

Provided that if the area of the society extends to more than one Panchayat or Revenue Mandal, the notices shall be affixed in the Panchayat Offices or Mandal Offices and in the Office of the Registrar.

- (3) The cost on account of publication of the notice in the local newspaper shall be met from the funds of the society.

<sup>1</sup>[23-AA. For the purpose of clause (a) of sub-section (1) of Section 32 all Apex Co-operative Societies <sup>2</sup>[Rural Electric Co-op. Societies] Sugar Factories and Spinning Mills shall be the class of societies.

<sup>3</sup>[23-AAA:— (1) Notwithstanding anything contained in the bye-laws of the society, the President may resign his seat by sending a letter of resignation by Registered Post or by tendering it in person to the Registrar and such resignation shall take effect from the date it is accepted by the Registrar.

- (2) The powers and functions of the President shall devolve on vice-president till election to the post of the President is held as per bye-laws.
- (3) Notwithstanding anything in the bye-laws of the society, any member or members of the committee may resign their seats by sending a letter of resignation by Registered Post or by tendering it in person to the Chief Executive Officer/ President of the society and such resignation shall take effect from the date it is accepted by the Managing Committee.
- (4) In the event of absence of the President for more than a period of three months or death of President of a society, the powers and functions of the President shall devolve on the vice-president till election to the post of the President is held as per bye-laws.
- (5) In the event of resignation of the entire Managing Committee or a majority of the Managing Committee, the Registrar of Cooperative Societies shall hold elections and till the new Managing Committee takes charge the Registrar may appoint person incharge or direct the Managing Committee to continue to discharge their functions till the elections are held and the new Managing Committee takes charge.

<sup>4</sup>[23-B. Mode of service of notice of committee meetings:—

The Chief executive or the Senior most paid employee, or where there is no paid staff, the President or the person authorised under the bye-law, of the

1. Added by G.O.Ms.No. 621, (Co-op.IV), dt. 26.12.1985.
2. Ins. by G.O.Ms.No. 874, (Co-op.IV), Dt. 1-12-1988.
3. Subs. by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.
4. Added by G.O.Ms.No. 559, (G & A0 (Co-op.IV), dt. 12.9.1990.

society shall send notice of Committee Meetings to the members of the Committee either by personal service or by Registered Post Acknowledgment Due.

<sup>1</sup>[24. Disqualification for membership of Committee:—

- (1) No person shall be eligible for being chosen or continuing as a member of a Primary Coop. Society or as a member of the committee of any society, if he,—
- (a) is a near relative of a paid employee of the Society,
  - (b) is in default to the Society or to any other Society for such period as is specified in the bye-laws of the Society concerned, or in any case for a period exceeding three months, or is a defaulter to the Society or to any other Society, or is a delegate of a society which is defunct or is in default for a period exceeding three months;
  - (c) is interested directly or indirectly in any contract made with the Society or in any sale or purchase made by the society privately or in any auction or in any contract or transaction of the Society, other than investment and borrowing involving financial interest, if the contract or transaction subsisting or if the contract, transaction, sale or purchase has not been completed and
  - (d) is a member of the Committee of more than two Apex or Central Societies or of the Committee of more than one Apex Society and one Central Society.

**Explanation I:—** For the purposes of clause (a) of sub-rule (1), the following persons shall be deemed to be near relatives namely, father, mother, brother, sister, husband, wife, daughter, son, daughter-in-law, son-in-law, father-in-law, mother-in-law, brother-in-law, sister-in-law, nephew, niece.

**Explanation II:—** (i) For the purposes of clause (d) of sub-rule (1) “Apex Society”, means a society whose area of operation extends to the whole of the State and which has other societies as its members.

(ii) “Central Society” means a society whose area of operation extends to more than one Mandal and which has its members of other societies.”

- (2) The President or a member of the committee of any society shall cease to hold his office as such if he incurs any of the disqualifications mentioned in sub-rule (1) :

Provided that, where a person ceases to be a member of the committee under clause (b) of sub-section (1) of Section 21, he shall be restored of the office for such portion of the period for which he was elected as may remain unexpired at the date of such restoration, as and when the sentence is

1. Subs. by G.O.Ms.No. 37. Agrl. & Coop. (Co-op.IV), dt. 12.9.1990.

annulled on appeal or revision and any person elected to fill the vacancy in the interim period shall on such restoration vacate the office.

- (3) Chief Executive Officer or President where there is no Chief Executive Officer shall be responsible to keep a watch on disqualification of member(s) or Managing Committees as detailed below:
  - (a) Automatic disqualification of a member under Section 21(g) or the Managing Committee u/S. 21AA(5) and 21AA(6);
  - (b) If orders are issued by Registrar u/S.21(e)
  - (c) Chief Executive Officer shall report the status to Managing Committee U/ S.21(f) and if the Managing Committee passes an order of disqualification.
  - (d) For any other reason as specified in the bye-laws; and
  - (e) Chief Executive Officer/President shall promptly inform the Registrar and place a report on all such disqualification in the General Body meetings for information and when convened.
- (4) Before passing a resolution under sub-rule 3(c) or 3(d) above the committee of a society shall give such person an opportunity to state his objections if any, to the proposed action and if the person wishes to be heard, he shall be given an opportunity to be heard.

The General Body of such society shall through a resolution declare that a person shall cease to be a member of the committee of the society concerned from the date of the disqualification.

#### **<sup>1</sup>[24-A. Meeting after receipt of no confidence notice:—**

- (1) As soon as the notice along with a copy of the motion expressing no confidence is received, the Registrar shall, notwithstanding anything in the bye-laws, convene a meeting of the committee.
- (2) The service of notice may be effected in any of the following ways, namely:—
  - (a) by giving or tendering it to such person ; or
  - (b) by sending it by registered post to their address.
- (3) A copy of the notice shall also be affixed on the notice board of the society and also on the notice board of the Office of the Registrar:

Provided that if the area of Society extends to more than one Panchayat or Mandal Office the notice shall be affixed in all Panchayat Offices or Mandal Offices.

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1. Added by G.O.Ms.No. 102, (Co-op.IV), dt. 27.2.1986.

- <sup>1</sup>[(4) As soon as the motion of no confidence is carried against the president/ vice-president or against both the president and vice-president simultaneously at one time, the Registrar shall declare the results of motion and immediately announce the date, time and place of election of the president/vice-president as the case may be, for filling up the resultant vacancy or vacancies.
- (5) Immediately after the announcement of result of motion of no-confidence the president/vice-president, as the case may be, shall not discharge any functions as president or vice-president.
- (6) If the President and vice-president are removed simultaneously, the Registrar shall then draw lots among the members present excluding the members against whom the motion of no-confidence is carried. The candidate on whom the lot falls shall be the president or vice-president for the interim period till regular election of president or vice-president is held and when once elections are held they shall cease to function as President and Vice-President.
- (7) The Registrar shall pass an order removing the president/vice-president or both the president and vice-president, as the case may be, within a period of three days from the date on which the motion of no-confidence is carried under sub-rule (4).
- (8) Notwithstanding anything contained in the rules and bye-laws of the society, the Registrar shall preside over the meeting. The quorum for such meeting shall be the majority of the members of the committee,<sup>2</sup>[xxx].
- (9) The election of president/vice-president shall be by show of hands.
- (10) The nomination of the candidate for election shall be made at such meeting.
- (11) If there is no contest, the Registrar shall declare the candidate as elected as president, vice-president and if there is a contest, a poll shall be taken. The Registrar shall read out the names of the contesting candidates for that office. He shall thereafter record the number of votes polled for each such candidate as the case may be. The Registrar shall announce the number of votes secured by each candidate as the result of election shall be recorded and attested by them.
- (12) If any equality of votes is found to exist between any candidate, and the addition of one vote will entail any of these candidates to be declared elected, the Registrar 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 and the result so declared shall be recorded and attested by him.
- (13) The person so elected shall hold office for the residue of the term of his predecessor.

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1. Sub-rules(4) to (13) added by G.O.Ms.No. 257, dt. 8.5.1986.

2. Deleted by G.O.Ms.No. 336, Agl & Co-op. (Co-op.IV), dt. 26.5.1993.

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**24-B. <sup>1</sup>[Omitted by G.O.M.S No. 37 of Agrl & Coop (CoopIV) dated 28.01.2002]****25. Terms of office of members of committees:—**

The bye-laws of every society shall provide either that the term office of all the members of its committee shall expire on the same date and at such yearly intervals as may be specified, or that a certain proportion of the members of its committee retire in each year on such date as may be specified. In the former case all the members of the committee, including those elected in casual vacancies <sup>2</sup>[whether] representing societies or individuals shall vacate their office of the date specified, irrespective of the date on which they were elected as members of the committee. In the latter case, the members due for retirement in each year, including those elected in their places in casual vacancies, shall vacate their office on the date specified in that year.

**26. Presidency at meeting:—**

Every general meeting or the meeting of a committee shall be presided over by the president of the society, in his absence by the vice-president thereof and in the absence of both the president and vice-president by a member chosen by the meeting to preside for the occasion:

Provided that no person including the president or the vice-president of the society shall preside over a meeting when matters in which he has personal interest including his election as member of the committee are to be discussed.

**<sup>3</sup>[26-A.:—**

The General Body of the Society shall not only deal with the specified matters under Section 30 of the Act, but the following matters shall also be in agenda compulsorily.

- (a) Proceedings of the Supervisory council.
- (b) Report on the disqualification of members, Managing Committee members and the entire Managing Committee as the case may be.
- (c) Consideration of defaulters and measures to be carried out in the matter.
- (d) Utilisation of Cooperative Education Fund retained at the society level.
- (e) Any directions issued by the Registrar, Reserve Bank of India, National Bank for Agriculture and Rural Development, Financing Bank etc.

**27. [Omitted by G.O.Ms.No. 229, (Co-op. IV), dt. 4-5-1987]**

1. Omitted by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.
2. Added by G.O.Ms.No. 1808, F & A (Leg.), dt. 2.7.1965.
3. Added by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.

**<sup>1</sup>[28. Officers and servants of societies:—**

- (1) No Society shall appoint any person as its paid officer or servant in any category of service, unless he possesses the qualifications and furnished the security as specified by the Registrar, from time to time, for such category of service in the society or for the class of societies to which it belongs.
- (2) All the existing societies with and without state aid shall, if not already approved, prepare service rules, within 45 days from the day of enforcement of these rules and submit to the Registrar for approval, which, among others, shall include the following if already not done so, with regard to staffing pattern, Scale of pay and allowances. Method of filling of posts, qualifications, and rules regarding disciplinary proceedings and other service matters—
- (3) All existing societies shall also furnish to the Registrar details of:
  - (i) Persons working in the society against the existing posts along with their qualification;
  - (ii) Job Chart/Nature of work/Pay Scales for each post/categories. (iii) Staff in excess of staffing pattern if any, prescribed by Registrar;
  - (iv) <sup>2</sup>[the expenditure towards pay and allowances of the employees], and its percentage to working capital and gross income;
  - (v) identification of surplus staff or inadequate staff, if any, category wise, and how the society, intends to deal with surplus staff or inadequate staff;
  - (vi) Pay scales of existing staff and when they are approved and by whom;
  - (vii) Working capital and Gross Income;
- (4) Every society within 45 days of registration shall frame and submit to the Registrar for approval of its staffing pattern which shall include,—
  - (a) Service rules for its employee, specifying staffing pattern, qualifications, method of appointment, scales of pay and allowances, responsibilities, duties, training, securities and disciplinary rules etc.
  - (b) revision of any of the service rules or pay scales etc. shall be made by the General Body on the recommendation of the Managing Committee provided the expenditure towards pay and allowances of the employees are less than 2% of the working capital or less than 30% of the Gross Profit under intimation to Registrar of Cooperative Societies. Provided further that if it is found to be in excess of the said norms either in audit, inspection or inquiry, the excess so spent shall be recoverable from members of the Managing Committee concerned under Section 60(1) of the Andhra Pradesh Coop. Societies Act and the Registrar shall have the powers to cancel such pay revision or modify it as deemed fit and adjust securities furnished by the paid servants.

1. Subs. by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.
2. Subs. for “Staff cost and contingent cost” by G.O.Ms.No. 553, Agrl. & Coop. (Coop.Iv), dt. 25.6.2003.

(c) A Society in receipt of State aid shall not frame any rules relating to age of retirement, leave rules, leave travel concession and rules relating to loans to employees which shall be in excess of the subsisting rules of Government concerning these matters.

<sup>1</sup>[(5)] No society shall appoint as its paid officer or servant in any category of service any person who is related to any director or member of the committee of a financing bank to which the society is affiliated.

<sup>2</sup>[(6)] Notwithstanding anything contained in the Bye-laws/special bye-laws service regulations or common cadre regulations of the co-operative societies every paid servant and officer of the society other than those in the last grade service shall retire from service on the After Noon of the last date of the month on which he attains the age of 58 years.]

### 29. Appointment of Secretary:—

Every financing bank, every credit society with limited liability and a working capital of not less than Rupees one lakh shall appoint a paid secretary. The paid secretary shall be disqualified for being appointed as, and for being a member of the committee of the financing bank, the society or the mortgaged bank, as the case may be:

Proviso omitted by G.O.Ms.No. 229 (Co-op. IV) dt. 4-5-1987

### <sup>3</sup>[30. Term of office of member of committee who is a delegate of another society:—

A delegate of one society sitting on the committee of another society shall vacate his seat in such committee:

- (a) if the society of which he is delegate becomes defunct or commits and continues to be a defaulter of a period exceeding three months;
- (b) if the affairs of the society of which he is a delegate are ordered to be wound up; or
- (c) if he resigns; and
- (d) if the society of which he is a delegate is deregistered.

### 31. Prohibition against having interest in contracts, etc.:—

- (1) No officer or <sup>4</sup>[employee] of a society shall have an interest directly or indirectly:—

1. Sub-rules (4) & (5) renumbered as sub-rules (5) & (6) by G.O.Ms.No. 553, Agrl. & Coop. (Coop.IV), dt. 25.6.2003.
2. Omitted by G.O.Ms.No. 229, (Co-op.IV), dt. 4.5.1987.
3. Subs. by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.
4. Subs. by G.O.Ms.No. 2834, F & A g. Dept., dt. 24.11.1965.

- (a) in any contract made with the society ; or
- (b) in any sale or purchase made by the society privately or in any auction; or
- (c) in any contract of transaction of the society other than an investment or borrowing, involving financial interest.

- (2) No officer or <sup>1</sup>[employee] of a society shall purchase, directly or indirectly, any property of a member of the society brought to sale for the recovery of his dues to the society.

### 32. Declaration to be made creating a charge in favour of a society:—

- (1) A member who applies to the society for a loan shall make a declaration in Form 'B' creating charge in favour of the society on land or other immovable property specified therein.

- <sup>2</sup>[(2) Where a declaration made by a member creating a charge in favour of a society under sub-rule (1) or any variation or cancellation thereof made under sub-section (2) of the Section 36 is sent to the Sub-Registrar having jurisdiction over the area in which the lands or other immovable property is situated he shall register or return such declaration or variation or cancellation within fifteen days from the date of receipt of declaration].

### 33. Remittance of the amount from salary or wages of a member and maintenance of register by an employer;—

- (1) Where an employer makes a deduction from the salary or wages in pursuance of a requisition from society he shall pay the amounts so deducted within seven days from the date of deduction of the amount of the society.
- (2) When any amount is deducted under sub-rule (1), an employer shall maintain a Register in Form 'C'.
- (3) In respect of the Consumer co-operative Stores, the entire gross salary or wages for the month or any portion thereof sufficient to clear of debt or other amount due by the member to the society may be deducted by an employer in pursuance of a requisition of a society and paid to it within the time specified in sub-rule (1).

### 34. Procedure regarding State aid to societies:—

- (1) The Government may, subject to such terms and conditions as may be specified, subscribe directly to the share capital of a societies.
- (2) The Government may provide moneys to an apex society for purchase of shares in other societies.

1. Subs. by G.O.Ms.No. 2834, F & A, Dept., dt. 24.11.1965.
2. Subs. by G.O.Ms.No. 1808 F & A, dt. 2.7.1965.

- (3)(a) The apex society which receives moneys from the Government under sub-rule (2) shall, establish with the moneys a fund to be called the "Principal State Partnership Fund".
- (b) The apex society shall utilise the Principal State Partnership Fund for the purpose of—
- (i) purchasing shares of other societies ;
  - (ii) providing moneys to a central society to enable that society to purchase shares in other societies ,
  - (iii) making the repayments to Government in accordance with provisions of this rule.
- (4)(a) The central society which is provided with moneys by an apex society from the Principal State Partnership Fund shall establish with such moneys a fund to be called 'Subsidiary State Partnership Fund'.
- (b) The central society shall utilise the Subsidiary State Partnership Fund for the purpose of—
- (i) purchasing shares in primary societies ; and
  - (ii) making repayment to the apex society in accordance with the provisions of this rule.
- (5) No shares shall be purchased in a society from out of the moneys of the Principal State Partnership Fund, or the Subsidiary State Partnership Fund, except with previous approval in writing of the Government.
- (6) Where any shares are purchased in a society by the Government or by an apex society or a central society from the Principal State Partnership Fund, or the Subsidiary State Partnership Fund as the case may be the liability in respect of such shares shall in the event of the society being wound up be limited to the amount subscribed in respect of such shares.
- (7) (a) If a society in which shares are purchased from the Principal State Partnership Fund by an apex society is wound up, the Government shall not have any claim against apex society in respect of any loss arising from such purchase, but the Government shall be entitled to any moneys received by the apex society in liquidation proceedings.
- <sup>1</sup>[(b) If a society in which shares are purchased from the Subsidiary State Partnership Fund is wound up, neither the Government nor the apex society shall have claim against the central society which purchased the shares in respect of any loss arising from such purchase, but the apex society shall

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1. Subs. G.O.Ms.No. 1808, F & A., dt. 2.7.1965.

- be entitled to any money received by the central society in liquidation proceedings and such money shall be credited to the Principal State Partnership Fund.]
- (8) (a) The amount subscribed by the Government towards share capital of society directly or through the Principal State Partnership Fund or the Subsidiary State Partnership Fund, as the case may be, shall be recovered within such time and in such manner as Government may from time to time direct.
- (b) (i) All moneys received by an apex society in respect of shares of other societies purchased from the Principal State partnership Fund shall on redemption of such shares, be credited to that Fund ;
- (ii) All moneys received by a central society in respect of shares of a society purchased from the Subsidiary State Partnership Fund shall, on redemption of such shares, in the first instance be credited to that Fund and then transferred to the apex society which shall credit to in the Principal State Partnership Fund ;
- (iii) All moneys referred to clauses (i) and (ii) shall, notwithstanding that the shares stand in the name of the apex society or the central society, be paid to the Government ;
- (9) (a) Where an apex society which has established Principal State Partnership Fund is wound up, all moneys to the credit of, or payable to that Fund shall be paid to the Government.
- (b) Where a central society which has established a Subsidiary State Partnership Fund is wound up all the moneys to the credit of, or payable to the Fund shall be paid and credited to the Principal State Partnership Fund from which it received moneys.
- (10) (a) The Government or an apex society or a central society which has purchased shares in other societies shall be entitled only to such dividend on the said shares as declared by the society concerned and is payable to other ordinary share-holders of the society ;
- (b) The amount of dividend so declared by a society on share capital subscribed directly by the Government or by an apex or a central society, as the case may be, shall be disposed of in such manner and subject to such conditions as the Government may direct, from time to time.
- (11) (a) A moneys payable by way of dividend by a society in which shares have been purchased by an apex society from the Principal State Partnership Fund shall be credited to the Principal State Partnership dividend account to be maintained separately by such apex society ;
- (b) All moneys payable by way of dividend by a society in which shares have been purchased from the Subsidiary State Partnership Fund shall first be

credited to the Subsidiary State Partnership dividend account to be maintained separately be a central society and shall thereafter be transferred to the Principal State Partnership dividend account maintained by an apex society.

(c) The dividend so credited to the Principal State Partnership dividend account under clause (a) or clause (b) shall be disposed of in such manner as the Government may direct, from time to time.

(12) Any account standing in the credit of the Principal State Partnership Fund, the Subsidiary State Partnership Fund, the Principal State Partnership dividend account and the Subsidiary State partnership dividend account shall not form part of the assets of the apex society or the central society, as the case may be,—

(13) Subject to the foregoing provisions of this rule—

(a) The Government may enter into an agreement with an apex society setting out the terms and conditions on which it shall provide moneys to the apex society for the purpose specified in the sub-rule (3).

(b) An apex society may, with the previous approval of the Government, enter into an agreement with a central society setting out the terms and conditions on which it shall provide moneys to that society from the Principal State Partnership Fund for the purpose specified in sub-rule(3Xb)(ii).

(14) <sup>1</sup>[(a) (i) Where Government have contributed directly to the share capital of an apex society, the bye-laws of such society shall provide for three State nominees on the committee of such society ;

(ii) Where Government have contributed directly to the share capital of a central society, the bye-laws of such society shall provide for two State nominees on the committee of such society].

(b) Where apex society has contributed to the share capital of a central society, the bye-laws of such a central society shall provide for two nominees of the apex society to the committee of such central society and where a central society has subscribed to the share capital of any other society, the bye-laws of such society shall provide for one nominee of the central society to the committee of such other society.

(c) The nominations referred to in sub-rules (a) and (b) shall be made:

(i) by the Government, in the case of an apex society;

<sup>2</sup>[(ii) by the registrar, in the case of central society ;]

(iii) by an apex society and the Government at the rate of one each, where an apex society has subscribed to the share capital of a central society;

(iv) by a central society, in the case of any other society where such a central society has purchased shares.

(d) Such nominees shall ordinarily be—

(i) in the case of an apex society,—

(a) an official of the Finance Department ;

(b) the Registrar ; and

(c) one other official or non-official ;

(ii) in the case of central society, two officials as directed by the Government;

(iii) in the case of any other society where a central society has purchased shares, a non-official co-operator.

<sup>1</sup>[**Note:-** For the purpose of this rule, “apex society” shall mean, a society whose area of operations extends to the entire State.]

“A central society” shall mean a society whose area of operations extends to a Revenue District or to such area as may be specified in the bye-laws and registered as central society.

(15) (1) <sup>2</sup>[Where the Government have assisted a society directly or indirectly in the manner specified in Section 33, the agenda for the meeting of every committee shall among others contain the following items with detailed notes on each item for discussion in the said meeting.

(a) Cash flow, Incoming and outgoing—

(b) New Posts created ;

(c) Changes in the structure and bye-laws of the society decided upon and the repercussions thereof ;

(d) Sanction of new scales of pay ;

(e) State of Accounts and their finalisation for audit ;

(f) Stage of completion of audit ;

(g) Project Decisions ;

(h) Implementation of Project decisions taken earlier ;

(i) Implementation of directions of Registrar, Reserve Bank of India and National Bank for Agricultural and Rural Development ;

(j) Payment of Government revenues like Fundamental Rule/Foreign Service costs and audit fees, dividend on share capital ;

1. Subs. G.O.Ms.No. 1808, F & A., dt. 2-7-1965.

2. Subs. by G.O.Ms.No. 261, F & A, dt. 16-6-1982.

1. Added by G.O.Ms.No. 1808, F & A, dt. 2-7-1965.

2. Added by G.O.Ms.No. 44, (Co-op.IV), dt. 25.1.1988.

- (k) Relationship between employees and the society ;
  - (l) Any other problem discussed in the managing committee meeting which requires attention of the Registrar or Government ;
  - (m) Note of dissent if any given by the Government nominee ;
  - (n) Confidential report on the above aspects of working of societies.
- (2) The nominees of Government attending the meeting shall bring to the notice of the Government through the Registrar of Co-operative Societies about working of the Society on the above items within 15 days from the date of the meeting.

**35. [Omitted by G.O.Ms.No. 104, F & A (Leg.), dt. 24.1.1970]**

<sup>1</sup>**[35-A. Rates of honorarium:—** The Registrar shall fix the rates of honorarium for each class of Society.]

<sup>2</sup>**[36. Distribution of profits:—**

- (1) No society shall utilise the net profit until the audit certificate is issued by the Chief Auditor or any person authorised in this behalf, and the amount of the net profits is arrived at for utilisation.
- (2) (a) in respect of a society with shares and unlimited liability not less than fifty percent of its net profits, and in respect of a society with shares and limited liability not less than twenty-five per cent of its net profits shall be transferred to the reserve funds. In respect of financing bank with shares and limited liability, not less than fifteen per cent of its net profits shall be contributed to the Agricultural Credit Stabilisation Fund of the bank to be invested and utilised.
- (b) Any such amount payable by the societies shall be a charge on the funds of the society and be recoverable by an order issued by the Registrar and in the manner provided under Section 70.
- (3) The Andhra Pradesh State Co-operative Union shall frame regulation with the approval of the Registrar for the utilisation and administration of the Fund and such regulations may among other things provide for making any contribution to the National Co-operative union of India.
- (4) Every society shall deposit upto 10% and not less than 5% of its annual net profit as a bad debt reserve and shall utilise it only with the specific permission of the Registrar to meet unforeseen losses.
- (5) (a) The balance of the net profits may be utilised for all or any of the purposes mentioned in sub-section (2) of Section 45 in the manner specified in the bye-laws.

1. Subs by G.O.Ms.No. 154, F & A (Co-op.III), dt. 11.3.1977.

2. Subs. by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.

(b) No society shall provide in its bye-laws to set apart more than (ten) per cent of its net profits constituting a common good fund :

Provided further that any profit not appropriated in the manner specified in bye-laws shall forthwith be credited to the Reserve fund.

(c) Every society with shares and unlimited liability existing at the commencement of the Act and deemed to have been registered as urban society, may continue to divide the net profits in accordance with the provisions of its bye-laws as in force on the date of issue of these rules in so far as they are not inconsistent with the provisions of the Act or these rules, but they shall not increase the rate at which dividend may be paid out of the net profits to the members except in accordance with the provisions in clause (a).

(d) Also provided that every society shall pay a dividend or interest which is not less than 6% per annum on paid share capital every year. If for any reason this interest or dividend is not paid, it shall be pointed out in audit, inspection or inquiry, and a provision shall be made to carry forward the amount for the subsequent year. The society shall forthwith be declared as "weak" and all additional expenditure in the form of revision of pay scales, Dearness Allowance, honorarium to the Managing Committee members, opening of branches, sub-offices etc., shall be frozen. An action plan to strengthen the society shall be prepared and implemented until the liability in the form of minimum dividend or interest is fully discharged. The Managing Committee will be held responsible for any lapses in this regard.

(e) A society, other than a credit society (such as a co-operative stores, a weavers society, a milk supply society, a labour contract society, a motor transport society, a co-operative workshop, farming society or field labour co-operative society) may with the approval of the Registrar pay in accordance with its bye-laws, remuneration to its members based on the extent of business done by these members with it or on the value of the services rendered by such members to the society or on such other basis as may be laid down in the bye-laws subject to a maximum of twenty five per cent of the net profits.

(f) An Apex level society shall create a mutual assistance fund by contribution of 1% of the Gross profit from its constituent societies to overcome temporary difficulties in business such as loss of property, temporary resource crunch etc.

(g) Where a society, provides in its bye-laws to constitute a "common good fund", the purpose of such fund shall be clearly defined in the bye-laws and such purpose shall not be other than a charitable purpose as defined in clause (5) of Section 2 of the Andhra Pradesh Hindu Religious Institutions and Endowments Act, 1987 or any Act of Parliament or the State Legislature.]

**1[36-A. Cooperative Education Fund:—**

- (1) Every society, shall earmark one percent of gross profit or gross income in a year as the case may be towards cooperative education fund subject to the limits prescribed below.

Trading Cooperatives like Cooperative Marketing Societies, Consumer Cooperative Societies shall earmark one percent Gross profit in a year towards Cooperative Education Fund. And all other Cooperatives shall allocate Educational Fund on Gross income which will be the total of the profit & loss account.

Thirty percent of this fund shall be transferred to the Andhra Pradesh State Cooperative Union within 30 days of receipt of Audit Report or 31st October of each year whichever is earlier. The balance 70% shall be utilised by the society for education and training of which 50% shall be used for training of members and 20% shall be used for training of employees.

<b>(i) Primary Societies</b>	<b>Rs. in Lakhs</b>
(a) Co-operative Urban Banks	Rs.1.50
(b) Housing Societies	Rs.0.75
(c) Employees Credit Societies	Rs.1.00
(d) Weaker Sec. Societies	Rs.0.25
(e) Other Societies	Rs. 1.10
<b>(ii) District Level Societies</b>	
(a) Federations (Union of Primaries)	Rs. 2.00
(b) Federations (Union of Dt. Level Socs.)	Rs.3.00
(c) State Level Societies	Rs.4.00
(d) Apex Level Societies	Rs.5.00

- (2) The amount as above shall be calculated based on the annual audit report or provisional accounts placed before the General Body. Where provisional accounts are not available the amounts shall be calculated as per the accounts of the previous year-
- (3) The auditor should scrutinise the utilisation of fund and certify the same. The society shall submit the returns to the Registrar of Cooperative Societies showing details of the training programmes conducted.
- (4) The Cooperative Education Fund created at the Cooperative Union shall be administered and utilised by the Registrar on the advice of a committee constituted under Sec.44-A of the Act.

1. Added by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.

- (i) The Advisory Committee shall consist of the Registrar of Cooperative Societies and all the Functional Registrars, as members, under the Chairmanship of the Minister for Cooperation, and Secretary to Government for Cooperation Department, shall be the Vice Chairman. The Managing Director, State Cooperative Union shall be the member secretary.
- (ii) The committee shall include not more than 5 persons from amongst, the Presidents of Cooperative Institutions or Veteran Cooperators in the State for a period of two years at a time to be appointed by the Chairman.
- (iii) The advisory committee shall be convened atleast once in three months.
- (5) The Andhra Pradesh State Cooperative Union shall prepare annual budgets and formulate training and education programmes for development of cooperatives and cooperative movement particularly in the matters such as financial and business management in cooperatives, member education, awareness building on cooperative principles and values and such like, according to the overall guidelines issued by the Advisory Committee and be responsible for implementation of the same.

**36-B. Constitution of administrative and Contingent Fund:—**

Every society by a resolution of the General Body shall open a separate account into which an amount not more than 30% of gross profit or 2% of working capital, whichever is less, as per the previous year financial statement, as prescribed in Form-M appended to this rule shall be credited and utilised for administrative and contingent expenditure. Failure to credit requisite amount to this fund, and or any excess expenditure over and above the limits fixed by the Act shall be specifically pointed out by the auditor and excess expenditure if any shall be a charge on the Managing Committee jointly and severally.

**1[Explanation:—** The following definition of gross profit shall be adopted for the purpose of implementation of Section 116(c)(l) in respect of different categories of Co-operative Societies.

- (1) **Banking and Credit societies and Societies having predominantly financial nature of business:—** In this category of societies, since the main business is of borrowing and lending money and the society gets income mainly by way of interest on lending and the expenditure mainly consist of payment of interest on deposits and borrowings, hence in respect of this category of societies the following definition of gross profit shall be adopted.
- “Gross Profit” means interest received on loans, advances and investments and the income earned on non-credit business minus the interest paid on

1. Added by G.O.Ms.No. 199, Agrl. & Coop. (Co-op.IV), dt. 30.05.2002.

borrowings and deposits on the basis of actuals as per the financial statement of the previous year.”

- (2) **Trading Societies:**— In respect of trading societies the “gross profit means value of sales minus cost of purchases”.
- (3) **Manufacturing Societies:**— In respect of manufacturing societies the gross profit means profit before taxation, provision, depreciation and management cost.
- (4) **Service Societies:**— These societies do not generate profit and do not prepare profit and loss account, hence the concept of gross profit will not be applicable to them. The management cost should be within 2% of their working capital.]

### 37. Object and investment of reserve fund:—

- (1) A reserve fund maintained by a society shall belong to the society and is intended to meet unforeseen losses. <sup>1</sup>[No member shall have any claim to share in it].
- (2) A society shall invest or deposit its reserve fund in one or more of the modes mentioned in Section 46:

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

Provided further that a society, not being a credit society, may with the sanction of the Registrar, utilize the whole of its reserve funds in its business;

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

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

### 38. Disposal of reserve fund on winding up of a society:—

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

(a) the debts of the society,

(b) the paid-up share capital ; and

1. Sub. by G.O.Ms.No. 2804. F & A. (Leg.), dt. 24.11.1965.

(c) any claim relating to the dividend upon the paid-up share capital due on the date of winding up of the society.

- (2) The balance of the funds of the society which is wound up remaining after the payment mentioned in sub-rule (1), shall utilised in the following manner and subject to the following conditions, namely:—

(a) In the case of every such society other than a financing bank,—

(i) It shall be competent for the liquidator to constitute a trust out of the surplus funds of the society for purpose of carrying out such object of public utility as may be suggested by the general body of the society so wound up and approved by the Registrar. The liquidator may, either by himself or on the suggestion of the said general body, appoint a trustee, who shall execute a deed in such form as the Registrar may, from time to time, specify and any trust so created shall be governed by the provisions of the law relating to public charitable trusts, for the time being in force.

(ii) Where the liquidator has not constituted any such trust the Registrar may place the surplus funds in deposit or otherwise with a financing bank working in the area in which the society which is being wound up carried on its operation, until a new society with similar objects is registered in such area, in which case the said surplus funds shall be transferred to the reserve funds of the new society. If in the opinion of the Registrar, there is no prospect of new society being registered in such area within a reasonable time, the Registrar shall assign the amount to the bad debt reserve or the reserve fund of financing bank working in such area.

(b) In the case of a financing bank, the surplus fund that shall be assigned by the Registrar to the reserve fund or other funds of any other financing bank to which the societies working in the area in which the financing bank which is being wound up carried on its operation, are affiliated. If there is no such financing bank working in the area, the Registrar shall deposit the said funds in the State Co-operative Bank until a new financing bank is formed in the area, in which case the said funds shall be transferred to the reserve fund of the new financing bank.

### 39. Investment of funds:—

- (1) A society may by a resolution of the Managing Committee invest the whole or any portion of its funds other than the reserve fund and such other funds not available for investment on such terms as determined by the General Body:

(a) In the purchase of shares of corporate bodies formed for the benefit of such societies or class of societies; and

(b) in the purchase or lease of land or other immovable property or in the

acquisition, construction or reconstruction of any building that may be necessary to conduct its business :

Provided that the amount of funds so invested under clause (1) shall be recouped on such terms as may be determined in each case by the General Body.

- (2) The provisions of sub-rule (1) shall not apply:—
- (a) to immovable property purchased;
- (i) by a society at sale held in execution of a decree obtained by it, for the recovery of any sum due to it; or
- (ii) by a financing bank at a sale held in execution of a decree obtained by it for the recovery of any sum due to such society at a sale brought about by the liquidator of such society;
- (b) to the purchase or lease of lands or purchase, construction or reconstruction of buildings by a society whose objects according to its bye-laws include such purchase, lease, construction or reconstruction.
- (3) No recoupment of the amount invested under this rule shall be necessary where the investment is made,—
- (a) By a society from its building fund constituted out of its profits; and
- (b) by a society, other than a credit society, in which the share capital raised from the members is intended to build up the special kind of business for which it has been registered.

#### 40. Restriction on borrowing by societies:—

A society may receive deposits and raise loans from persons or institutions who are not members provided that the amount borrowed from such persons and institutions together with the amount borrowed from members does not exceed the limit fixed, from time to time by Registrar for the society or for the class of the societies to which it belongs.

#### <sup>1</sup>[41. Restriction on grant of loans:—

- (1) No Society shall grant loans or make advances against the security of its own shares.
- (2) Every society shall determine the mechanism of lending to its members. The General Body of Apex level societies or State level federation shall determine the maximum lending limit of a member in respect of such class of societies with which they are concerned.
- (3) No agricultural credit society with unlimited liability shall grant loan for periods exceeding five years.

1. Subs. by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.

- (4) In this rule, the term “short term loans” means a loan repayable from the sale proceeds of the next harvest as soon as it is realised or within one year from the date of the grant of the loans whichever period is longer.

#### <sup>1</sup>[41-A. Percentage of loans to small farmers, etc.:—

Subject to such directions as the Reserve Bank of India may give to Co-operative Banks in this behalf. Primary Agricultural Credit Societies shall, during a co-operative year, disburse to small farmers as defined in the Explanation under clause (a) of sub-section (3) of Section 47 of the Andhra Pradesh Co-operative Societies Act, 1946, fifty per cent of the total amount borrowed by them from the co-operative financial Institutions, for granting <sup>2</sup>[loans] to their members during a co-operative year, so however that the amount to any such loans that may be granted to each of their members whether or not he is a small fanner, shall not in the aggregate exceed such amount or amounts as the Government may, from time to time, by notification in the Andhra Pradesh Gazette, specify in relation to the various classes of members and having regard to the purposes for which loans are required.]

#### <sup>3</sup>[41-B. Issue of loans by means of a cheque:—

Every Society shall disburse amounts to any of its members exceeding Rs-1000/- invariably by way of a cheque or a negotiable instrument such as a draft, pay order etc.]

#### <sup>4</sup>[41-C. Sanctions of loans in certain cases:—

- (1) If the Committee of an agricultural credit society fails to render service to the members within 7 days from the date of order issued under sub-section (3) of Section 22 directing the Committee to render such service or if it is brought to the notice of the Registrar that the Committee is not sanctioning loans to the members without valid reasons, the Registrar shall direct the Chief Executive of the society or any other person authorised by him to process the loan applications of the members.
- (2) The Chief Executive or the person authorised, notwithstanding anything in the bye-laws, on such direction shall take immediate steps to forward relevant documents viz., credit limits, drawal loan application etc., through the Registrar to financing Bank for sanction of loan.
- (3) The Chief Executive of the Financing Bank shall take steps for arranging sanction of loans to the Agricultural Credit Society.
- (4) The Chief Executive of the Agricultural Credit Society or the person authorised

1. Added by G.O.Ms.No. 48, Plg. & Co-op. (Co-op.VI), dt. 28-1-1972.

2. G.O.Ms.No. 229 (Co-op.IV), dt. 4-5-1987.

3. Subs. by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.

4. Added by G.O.Ms.No. 45, (Co-op.IV), dt. 21.1.1988.

under sub-rule (1) shall disburse the loans to the members of the Agricultural Credit Society under the supervision of a person authorised by the Registrar.]

- <sup>1</sup>[(5) The Committee or the Chief Executive of the Society or the person authorised under Sub-rule (1), shall prepare a list of borrowers showing the loans sanctioned to each member and affix such list on the notice board of the society].
- (6) Every Primary Agricultural Co-operative Society, shall within 10 days after the close of every quarter, prepare a list showing the amounts due from members on the notice board of the society.

**42. Transactions with non-members:—**

No Society shall enter into any transaction with a person other than a member unless:—

- (a) the bye-laws of the society permit it to enter into such transaction, and  
 (b) the previous sanction of the Registrar has been obtained by the society for entering into such transaction,

**43. Maintenance of fluid resources by societies with limited liability:—**

- (1) Every society with limited liability shall maintain fluid resources in such form and according to such standards as may be fixed by the Registrar, from time to time by general or special order in respect of:—
- (i) deposits and loans received from individuals as from bodies not being societies ; and  
<sup>2</sup>[(ii) cash credits and overdrafts granted to the members]
- (2) The Registrar may, by general or special order, relax the form or the standards so fixed for a special period in case of any society or of any class of any societies.

<sup>3</sup>**44. Provident Fund:—**

Every society shall implement the provisions of the Employees Provident Fund Act, 1952 to all its employees through the Regional Provident Fund Commissioner.]

<sup>4</sup>**45. Statements and returns to be furnished by a society for audit of its accounts and issue of an audit certificate:—**

- (1) Every Society including a society under winding up shall get its accounts audited atleast once in a year by the Chief Auditor or the person authorised

by him. The need to post such audit staff, the strength and the Agency shall be decided by the Chief Auditor keeping in view the guidelines and norms issued by the Government from time to time. The decision of the Chief Auditor shall be final and binding.

- (2) The committee of every society except the societies specified in first proviso under Rule 46 shall prepare for each Co-operative Year in such form as may be specified from time to time by the Chief Auditor.
- (a) Statement showing the receipts, disbursements for the year,  
 (b) A profit and loss accounts.  
 (c) A balance sheet; and  
 (d) Such other statements and returns as may be specified by the Registrar or by the Chief Auditor from time to time.
- (3) The Society specified in the first proviso under Rule 46 shall submit a certificate in Form 'L' to the Chief Auditor or the person authorised by him.
- (4) The Committees of the Societies shall submit the statements, certificates and returns referred to in sub-rule (2) and sub-rule (3) to the Chief Auditor or to the person authorised by him as the case may be, within three months after the end of the Co-operative Year.
- (5) (i) The Chief Auditor or the authorised person shall verify or cause to be verified the statements and returns so furnished and issued or cause to be issued an audit certificate within three months which shall contain among other things, the following particulars:
- (a) the name of the society and the period covered by audit;  
 (b) the name of the person who audited the accounts for the period;  
 (c) a statement of receipts and disbursements;  
 (d) the Profit and Loss accounts;  
 (e) assets and liabilities of the society;  
 (f) a statement showing the debts, overdues; and  
 (g) a certificate of verification of the cash balance and securities.
- (ii) the Audit Certificate issued shall be among other things, indicates:
- (a) The share capital of the society at the beginning and at the end of the Co-operative Year;  
 (b) the loans issued and outstanding against members;  
 (c) the deposits and borrowings of the society;

1. Added by G.O.Ms.No.692, F & A (Co-op.IV), dt. 23.8.1988.

2. Subs. by G.O.Ms.No. 1808, F&A Dept., dt. 2-7-1965.

3. Subs. by G.O.Ms.No. 37, Agrl. & Coop. (Co-op. IV), dt. 28.1.2002.

4. Subs. by G.O.Ms.No. 184, A & C, Dated 19-8-1998.

- (d) the net profit earned or net loss sustained by the society;
- (e) the amounts to be set apart for statutory reserve fund or other reserves;
- (f) the classification in which the society under audit is placed; and
- (g) the amount payable by it towards audit or other costs at the end of the year.

(iii) The Society shall publish the audit certificates and such of the statements as the Chief Auditor may direct in the manner directed by him.

- (6) All distributive and productive societies shall, in addition to the copies of the statements specified in sub-rule (2) submit at the end of every Co-operative Year to the Chief Auditor or the person authorised by him, a statement of verification of the stock on hand at the close of the Co-operative Year in such forms as may be specified, by the Chief Auditor and within such time as he may direct.
- (7) Every Society shall in addition to the statements specified in sub-rule (2) also submit to the Chief Auditor, any statement or return of the nature similar to that described in sub-rule (2) in such form within such time and for such period as the Chief Auditor may specify.
- (8) Where any society fails to submit any statements or returns specified in sub-rule (2) or (6) and (7) within the time directed by the Chief Auditor he may depute an officer to prepare the necessary statements or returns and in such a case, it shall be competent for the Chief Auditor to determine the costs with reference to the time involved in the work and the emoluments of the officer deputed to do it and which the Society concerned should pay to the Government in this behalf and to direct its recovery from the Society.

<sup>1</sup>[46. Every society in receipt of State aid including a society under winding up or any other society which opts to get the accounts of the society audited through the Chief Auditor shall pay to the Government fees or costs for the audit of its accounts for each cooperative year as specified in the table below:—

**47. Inquiry:—**

- (1) An order authorising any person to hold an inquiry into the constitution, working and financial conditions of a society shall, among other things, contain the following:—
  - (a) name of the society whose affairs are to be inquired into ;
  - (b) name of the person authorised to hold an inquiry ;

1. Subs. by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.

- (c) the terms of inquiry ;
- (d) apportionment of the cost of inquiry ;
- (e) any other matter relating or pertaining to the inquiry.

(2) Omitted G.O.Ms.No. 581, F & A (Co-op. IV), dt. 2.8.1988.

(3) Omitted G.O.Ms.No. 581, F & A (Co-op. IV), dt. 2.8.1988.

**<sup>1</sup>[48. Fees payable to the Government for service rendered to Society/ Person:—**

Surcharge orders issued on an application made by the committee, liquidator or any creditor or contributory.

1% of the amount subject to a minimum of Rs. 100/- and maximum of Rs. 1,000/-

Monetary :- 1% of the amount in dispute subject to a minimum of Rs. 100/- and a maximum of Rs. 5,000/-

Non-Monetary :- Rs. 1,000/- only.

Monetary :- 1% of the amount in dispute subject to a minimum of Rs. 100/- and a maximum of Rs. 1,000/- for monetary.

Non-Monetary :- Rs. 1,000/- only.

**49. Procedure for arbitration and settlement of disputes;—**

(1) A reference to the Registrar of any dispute under Section 61 of the Act shall be in writing.

(2) The period of limitation for referring a dispute touching the constitution, management or the business of a society to the Registrar under sub-section (1) of Section 61 of the Act shall be regulated by the provisions of the Limitation Act, 1963 as if the dispute is a suit and the Registrar, a Civil Court:

Provided that a dispute arising between the parties mentioned in clause (a) of sub-section (i) of Section 61, shall, where the dispute relates to any act or omission on the part of the Society or its committee, or any past committee, any past officer, past agent or past employee, or the nominee, heirs or legal representatives of any deceased officer, deceased agent or deceased employee of the society be referred to the Registrar within [six years] from the date on which the act or omission with reference to which the dispute arose, had occurred.

<sup>2</sup>[Proviso omitted by G.O.Ms.No. 147, (Co-op. IV), dt. 9-3-1988].

1. Subs. by G.O.Ms.No. 37, Agrl. & Coop. (Co-op. IV), dt. 28.1.2002.

2. Subs. by G.O.Ms.No. 2368, F&A (Leg.), dt. 13.12.1968.

- (3) Where, on receipt of the reference of a dispute under sub-rule (1), the Registrar decides, under clause (c) of sub-section (1) of Section 62 of the Act, to refer it for disposal by an arbitrator, the reference shall be sent by Registrar to an arbitrator appointed by him in this behalf.
- (4) the Registrar, the arbitrator or other person deciding the dispute shall record a brief note of the evidence of the parties and witnesses who attended and upon the evidence so recorded, and after consideration of any documentary evidence produced by the parties, shall pass a decision in accordance with justice, equity and good conscience, and such decision given shall be in writing. In the absence of any party duly summoned to attend, the dispute may be decided ex-parte.
- (5) (a) A person referring a dispute under sub-sec, (1) of Section 61 of the Act or preferring an appeal under sub-section (1) of Section 76 of the Act, shall deposit in advance the fees mentioned in Rule 48 for deciding the dispute or an appeal, as the case may be.
- (b) The Registrar, arbitrator or other person deciding a dispute under sub-section (4) of Section 62 of the Act and the Tribunal deciding an appeal under sub-section (1) of Section 76 of the Act shall have power to order the costs incurred in determining such dispute or appeal to be paid either out of the funds of the society by such party or parties to the dispute or appeal as he or it may think fit.
- <sup>1</sup>[(c) The Registrar or the Tribunal may in his or its own discretion remit the whole or any part of the fees deposited under Clause (a)].
- (6) Save as provided in sub-rule (7)—
- (a) on an application to the Registrar of the district, in which the cause of action arose, the decision shall be enforced as provided in Rule 52 ;
- (b) on a requisition to the Collector of the district or to any person authorised by him in this behalf, made by the Registrar of Co-op. Societies all sums recoverable under the decision shall be recovered in the same manner as arrears of land revenue ;
- (c) on an application to the Civil Court having jurisdiction over the subject matter of the decision that Court shall enforce the decision as if it were a final decree of the Court.
- (7) Where the decision is for the delivery of possession to a society of land resumed by it from a member for breach of conditions of the assignment the society may apply to the Registrar of the district in which the land is situated for enforcement of the decision. On such application the Registrar of the

1. Subs. by G.O.Ms.No. 1802, F&A, dt. 2-7-1965.

- district or sale officer empowered by him shall deliver possession of the land to the society or to such person as it may appoint to receive delivery on its behalf by removing, if necessary, any person bound by the decision who refuses to vacate the land.
- <sup>1</sup>[(8) (a) The Registrar of the district, to whom an application for enforcing a decision has been made under Clause (a) of Sub-rule (6) may, for reasons to be recorded in writing, send such decision to a Civil Court of competent jurisdiction for execution and that Court shall execute the same as if it were a final decree of that Court.
- (b) The Civil Court to which a decision has been sent for execution under Clause (c) of Sub-rule (6) shall on the application of person in whose favour the same was passed or on the requisition of the Registrar of the district, return such decision to such person or Registrar, as the case may be in the manner provided in Rule 6 of Order XXI of the First Schedule to the Code of Civil Procedure, 1908.
- (9) Any dispute referred to the Registrar under Section 61 of the Act, shall ordinarily be disposed of within a period of six months from the date of such reference.
- Proviso omitted by G.O.Ms.No. 147, (Co-op.-IV) dt. 9-3-1988.

#### <sup>2</sup>[49-A. Procedure regarding disposal of appeals by Tribunal:-

The proceedings of the Tribunal shall be summary and shall be governed as far as practicable by the provisions of the Code of Civil Procedure, 1908 (Central ActV of 1908)].

- <sup>3</sup>[49-B. A dispute relating to or in connection with any election to the office of the President of a Primary Society, a Committee, a member of a committee or an officer shall be preferred to the Tribunal having jurisdiction over the place where the main office of the society is situated within one month from the date of declaration of results of such election and such dispute shall be disposed of within a period of four months from the date of filing of the dispute].

#### 50.Mode of service of summons:-

- (1) Every summons issued under the Act shall be in writing, shall be authenticated by the seal, if any, of the officer by whom it is issued and shall be signed by such officer or by any person authorised by him in writing in mat behalf. It shall require the person summoned to appear before the said officer at stated time and place, and shall specify whether his attendance, is required for the

1. Sub-rule (8) was omitted, sub-rules (9) and (10) were renumbered as sub-rules (8) and (9) respectively and the proviso was added by G.O.Ms.No. 2804, F&A, dt. 24.11.1965.
2. Ins. by G.O.Ms.No. 1808, F&A., Dt. 2-7-1965.
3. Subs. by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.

purpose of giving evidence, or to produce a document, or for both purposes, and any particular document, the production of which is required, shall be described in the summons with reasonable accuracy.

- (2) Any person may be summoned to produce a document, without being summoned to give evidence, and any person, summoned merely to produce a document shall be deemed to have complied with the summons if he clauses such document to be produced, instead of attending personally to produce the same.
- (3) The service of summons under the Act, on any person may be effected in any of the following ways:-
  - (a) by giving or tendering it to such person ; or
  - (b) If such person is not found, by leaving it at his last known place of abode or business or by giving or tendering it to some adult member of his family ; or
  - (c) If the address of such person is known to the Registrar or other authorised person by sending it to him by registered post ; or
  - (d) if none of the means aforesaid is available by affixing it in some conspicuous part of his last known place of abode or business.
- (4) Where the serving officer delivers or tenders copy of the summons to the defendant personally or to an agent or other person on his behalf, he shall require the signature of the person to whom the copy is so delivered or tendered to an acknowledgment of service endorsed on the original summons.
- (5) The serving officer shall in all cases in which the summons have been served under sub-rule (4), endorse or annex or cause to be endorsed or annexed, on or to the original summons a return stating the time when and the manner in which the summons was served and the name and address of the person if any identifying the person served and witnessing the delivery or tender of the summons.
  - (a) When the party to be summoned is a public officer or is a railway servant or local authority, the officer issuing the summons may, if it appears that the summons may be most conveniently so served send it by registered post prepaid for acknowledgment for service on the party to be summoned to the head of the office in which he is employed together with a copy of the summons to be received and endorsed on the original summons.

**1[50-A.** (1) A society shall be considered for winding up if the society does not commence working from the date of its registration.

(i) (a) in the case of Urban Bank or Housing Society within a period of 2 year

1. Ins. by G.O.Ms.No. 388, F & A. (Co-op.IV), dt. 19.7.1985.

(b) in the case of any other society within a period of one year ; and (ii) Where a society has ceased to work for the last three years.

**Explanation:—** For the purpose of this rule “does not commence working” means that the society has not taken any steps in pursuance of its objects.

(iii) the expression “ceases to work” means that it has been defunct for the last three years and was classified “as defunct” by the chief auditor.

- (2) The Registrar can issue notice under Section 64 of the said Act in any one of the following manners:-
  - (i) by publication in Andhra Pradesh Gazette ;
  - (ii) by publication in local news papers ;
  - (iii) by tom-tom in the village and affixture to the notice board of the society and in case no office exists for the society in the panchayat office.

#### **51. Appointment of procedure to be followed and powers to be exercised by the liquidator:-**

Where a liquidator is to be appointed by the Registrar under the sub-section (1) of Section 65 of the act, the manner of appointment of, the procedure to be followed and the powers to be exercised by the liquidator shall be as follows:—

- (a) The appointment of the liquidator shall be notified by the Registrar in the Andhra Pradesh Gazette.
- (b) The liquidator shall, as soon as the order of winding up of the society has been made, published by such means as he may think proper a notice requiring all claims against the society ordered to be wound up, to be submitted to him within two months from the date of publication of the notice. All liabilities recorded in the account books of society shall be deemed to have been duly submitted to him under this clause;
- (c) (i) 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 next to determine the contribution to be made by each of its members, past members, or by the estates or nominees, heirs or legal representatives of deceased members or by any officers, or former officers, to the assets of the society or the costs of liquidation. Should necessity arise, however, he may also make a subsidiary order recording such contributions and such orders shall be enforceable in the same manner as the original order ;

<sup>1</sup>[(ii) The authority competent to accord previous approval for purposes of Clauses (j) and (k) of sub-section (1) of Section 66 of the Act shall be the Registrar ;]

1. Added by G.O.Ms.No. 244, P & Co-op. (Co-op.IV), dt. 21.5.1973.

- (d) The liquidator shall submit to the Registrar a quarterly report in such form as the Registrar may specify showing the progress made in the winding up of the society ;
- (e) The liquidator may empower any person, by general or special order in writing, to make collections and to grant valid receipts on his behalf;
- (f) All funds in the charge of the liquidator shall be deposited in the Government Treasury or in the Post Office Savings Bank or with a Financing Bank or such other bank as may be approved by the Registrar and shall stand in the name of the liquidator.
- (g) The Registrar shall fix the amount of remuneration, if any, to be paid to the liquidator. The remuneration shall form part of the costs of liquidation which shall be payable out of the assets of the society in priority to all other claims. <sup>1</sup>[Such costs of liquidation shall be as fixed by the Registrar, from time to time, with the prior approval of the Government;]
- (h) The liquidator shall have power to call for meetings of members of the society ordered to be wound up ;
- (i) By the conclusion of the proceedings to wind up the society a general meeting of the society shall be called at which the liquidator or any person authorised by him by special or general order in writing in this behalf shall summarise the result of his proceedings and shall take a vote as to the disposal of any surplus funds in the manner prescribed in sub-rule (2) of Rule 38 ;
- (j) If any liability cannot be discharged by the liquidator, owing to the whereabouts of the claimants not being known or for any other cause the amount covered by such undischarged liability may be deposited in a financing bank and shall be available for meeting the claims of the person or persons concerned ;
- (k) A 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 to such other person as may be appointed as liquidator by the Registrar ;
- (l) The liquidator shall keep such books and accounts as may, from time to time, be required by the Registrar. The Chief Auditor may at any time cause such books and accounts to be audited ;
- (m) All the books and records of a society whose registration has been cancelled and the proceedings relating to the winding up of that society, may be destroyed by the Registrar after the expiry of three years from the date of cancellation of the registration of the society.

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1. Added by G.O.Ms.No. 1228, F&A, (Leg.) dt. 12.5.1966.

- (n) All funds in the charge of the liquidator shall be deposited in the Government Treasury or in the Post Office Savings Bank or with a Financing Bank or with any Nationalised or Scheduled Bank and shall stand in the name of the liquidator.

**1[51A. Fixation of remuneration of Official Assignee:—**

- (a) Remuneration of the official assignee shall be as fixed by Registrar in the appointment order; and
- (b) Registrar shall be the prescribed authority for the purpose of Section 9(c).

**52. Procedure in execution of decrees, decisions or orders:—**

- (1) Any decree-holder may apply to the Registrar of the district in which the cause of action arises for the execution of his decree after depositing the necessary costs on a scale fixed in this behalf. The Registrar shall, in case where the application for the recovery of any amount due under a decree or order of the Civil Court, apply to the Civil Court which passed the decree or order for the transfer to him of the said decree or order and the records specified in Rule 6 of Order XXI in the First Schedule to the Code of Civil Procedure and on receipt of such application the Civil Court shall transfer them to the Registrar of the District.

Where, in connection with the proceedings on an application under Section 70 of the Act, any person requires the issue of any process, or objects to any process issued or proposed to be issued or requires the adjournment of any proceedings or objects to any order passed, he shall pay such fees as may be fixed in this behalf. If the defaulter resides or the property to be proceeded against is situated in a district other than that in which the cause of action arose, the application shall be made to the Registrar of the district in which the cause of action arose who shall transfer the application to the Registrar of the district where the defaulter resides or other property is situated.

- (2) 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 the 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 devolved on him and has not been duly disposed of ; and for the purpose of ascertaining such liability, the Registrar, executing the decree may of his own motion or on the application of the decree-holder compel the legal representative to produce such accounts as it thinks fit.

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1. Added by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.

**Explanation:**— For the purposes of this rule, any property in the hands of a son or other descendant under the Hindu Law for the payment of the debt in respect of which a decree has been passed against a deceased ancestor shall be deemed to be the property devolved on such son or descendant.

- (3) The application shall be made in Form 'D' and shall be signed by the decree-holder. The decree-holder may indicate whether he wishes to proceed in the first instance, against the immovable property mortgaged to the decree-holder or other immovable property or to secure the attachment of movable property. On receipt of application, the Registrar of the district shall verify the correctness and genuineness of the particulars set forth in the application with the records, if any, in his office, and prepare a demand notice in writing in duplicate in the form specified, by him in this behalf, setting forth the name of the defaulter, the amount due and forward it to a sale officer. If the defaulter resides or the property is situated outside the jurisdiction of the Registrar of the district to whom the application is made, such Registrar shall forward the application and the demand notice to the Registrar of the district in which the defaulter resides or the property is situated.
- (4) Unless the decree-holder has expressed a desire that proceedings should be taken in a particular order as laid down in sub-rule (3), execution shall ordinarily be taken in the following manner-
- (i) Movable property of the defaulter shall be first proceeded against, but this shall not preclude the immovable property being proceeded against simultaneously in case of necessity;
- (ii) If there is no immovable property or if the sale proceeds of the movable property, or properties attached and sold are insufficient to meet in full the demand of the decree-holder, the immovable property mortgaged to the decree-holder or other immovable property belonging to the defaulter may be proceeded against.
- (5) In the seizure and sale of movable property the following rules shall be observed:—
- (a) The sale officer shall, after giving previous notice to the decree holder proceed to the village where the defaulter resides or the property to be distrained is situated and serve the demand notice upon the defaulter if he is present. If the amount due together with the expenses be not at once paid, the sale officer shall make the distraint and shall immediately deliver to the defaulter a list of inventory of the property distrained, an intimation of the 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 sale officer shall serve the demand notice on some adult male member of his family, or on his authorised agent or when such service cannot be affected shall affix a copy of the demand notice on some conspicuous part of his residence. He shall then proceed to make the distraint 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 distraint is made the sale officer may arrange for the custody of property attached, with the decree-holder or otherwise. If the sale officer requires the decree-holder to undertake the custody of the property he shall be bound to do so and any loss incurred owing to his negligence shall be made good by the decree-holder. If the attached property is live-stock, the decree-holder shall be responsible for providing the necessary '[maintenance or upkeep] therefor. The sale officer may at the instance of the defaulter or of any person claiming an interest in such property, leave it in the village or place where it was attached, in the charge of such defaulter or such person, if he enters into a bond in the form specified by the Registrar with one or more sureties for the production of the property when called for ;
- (c) The distraint shall be made after sunrise and before sunset and not at any other time ;
- (d) The distraint made shall not be excessive, that is to say, the property distrained shall be as nearly as possible proportionate to the sum due by the defaulter together with interest and all expenses incidental to the distraint, detention and sale ;
- (e) If crops or ungathered products of the land belonging to a defaulter are attached, the sale officer may cause them to be sold when fit for reaping or gathering or at his option may cause them to be reaped or gathered in due season and stored in proper places until sold. In latter case, the expense of reaping or gathering and storing such crops or products shall be defrayed by the owner upon his redeeming the property or from the proceeds of the sale in the event of its being sold ;
- (f) the sale officer shall not work the bullocks or cattle, or make use of the goods or 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 sale in the event of its being sold ;
- (g) It shall be lawful for the sale officer to force open any stable, cow-house, granary, godown, out-house or other building and he may also enter any dwelling house the outer door of which may be open, and may break open the door of any room in such dwelling house for the purpose of attaching property belonging to a defaulter and lodged therein, provided always that it shall not be lawful for the sale officer to break or enter any apartment in such dwelling house appropriated to women except as hereinafter provided ;

(h) Where the sale officer may have reason to suppose that the property of defaulter is lodged within a dwelling house the outer door which may be shut, or within any apartment appropriated to women which by the usage, of the country, are considered private, the sale officer shall represent the fact to the officer-in-charge of the nearest police station. On such representation the officer-in-charge of the police station shall send a police officer to the spot in the presence of whom the sale officer may force may break open the outdoor of such dwelling house and in like manner he may break open the door of any room which the house except the one appropriated to women. The sale officer may also, in the presence of the police officer and after giving due notice for withdrawal of women within the apartment enter the said apartment for purpose of distraining the defaulter's property, if any, deposited therein, but such property, if found shall be immediately removed from such apartment, so as to enable the women to re-occupy it ;

(i) The sale officer shall on the day previous to and on the day of sale cause a proclamation of the time and place of the intended sale to be made by beat of drum in the village in which the defaulter resides and in such place or places as the Registrar may consider necessary to give due publicity to the sale. No sale shall take place until after the expiration of a period of fifteen days from the date on which sale notice has been served or affixed in the manner prescribed in Clause(a):

Provided that where the property seized is subject to speedy and natural decay, or where the expense of keeping it in custody is likely to exceed its value, the sale officer may sell it at any time, before the expiry of the said period of fifteen days, unless the amount due is paid earlier or a stay order is obtained.

(j) At the appointed time, the property shall be sold in public auction in terms of one or more lots as directed by the sale officer and shall be disposed of to the highest bidder:

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

(k) Where the property is sold for more than the amount due, the excess amount, after deducting the interest and the expenses of process and the other charges, shall be paid to the defaulter:

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

(l) The property shall be paid for in cash at the time of sale or as soon thereafter as the sale 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 purchased money, the property shall be resold ;

(m) Where it is proved to the satisfaction of any Civil Court of competent jurisdiction that any property which has been distrained under these rules has been forcibly or clandestinely removed by any person, the Court may order forthwith, such property to be restored to the sale officer;

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

(o) The movable properties exempted from attachment under 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 movable property to be attached is the salary or wages of a Government employee or an employee of a local authority or a firm or company, the Registrar of the district may, on receiving a report from the sale officer, issue a requisition to the employer of such person to the effect that the amount shall, subject to the provisions of Section 60 of the Code of Civil Procedure, 1908 be withheld from such salary or wages either in lumpsum or by monthly instalments as the said Registrar may direct and upon the receipt of requisition, the employer whose duty is to disburse such salary or wages, shall withhold and remit to the sale officer, the amount due under the requisition either lumpsum or in the monthly instalment, as the case may be.

(7)

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

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

(iii) Where the property to be attached is in the custody of any Court or public officer, the attachment shall be made by a notice to such Court or

officer, requesting that such property and any interest or dividend becoming payable thereon may be held subject to the further orders of the Registrar of the district issuing the notice :

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

**Explanation:**— In this sub-rule, public officer includes a liquidator appointed under Section 65 of the Act.

- (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—
- (a) If the decree sought to be attached was passed by a Registrar or by any person to whom a dispute was transferred by a Registrar under Section 62 of the Act or by an arbitrator within the local limits of the jurisdiction of Registrar, then by the order of the Registrar concerned;
- (b) If the decree sought to be attached was passed by a Court and has not been sent for execution to any other Court, then by the issue to such Court of a notice by the Registrar concerned, requesting such Court to stay the execution of its decree unless and until—
- (i) the Registrar aforesaid cancels the notice ; or
- (ii) the holder of the decree sought to be executed, or the judgment, debtor applies to the Court receiving such notice to execute its own decree ; and
- (c) (i) if the decree sought to be attached is pending execution in a Court which did not pass the same, then by the Registrar of the district seeking to attach such decree in execution sending the notice referred to in Sub-clause (b) to such Court, whereupon the provisions of that sub-clause shall apply in the same manner as if such Court had passed the decree and the said notice had been sent to it in pursuance of the said sub-clause.
- (ii) Where a Registrar makes an order under sub-clause (a) or where a Court receives an application under sub-clause (b) (ii) of Clause (i), such Registrar or Court shall, on the application of the decree-holder who has attached the decree or his defaulter, proceed to execute the attached decree and apply the net proceeds in satisfaction of the decree sought to be executed ;
- (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 representation of holder of the attached decree and to be entitled to execute such attached decree in any manner lawful 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 Registrar of the district the holder of such decree, prohibiting him from transferring or charging the same in any way ; and where such decree has been passed by any Court or by a different Registrar or by any person to whom a dispute was transferred under Section 62 of the Act by a different Registrar or by an arbitrator in another district also by sending to such Court to the Registrar of the district concerned, as the case may be, a notice to obtain from executing the decree sought to be attached until such notice is cancelled by the Registrar who sent the notice.
- (v) The holder of a decree attached under this sub-rule shall give that Court or the Registrar of the district 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 Registrar of the district making an order of attachment under this sub-rule shall give notice of such order to the judgment-debtor bound by the decree attached; and no payment of adjustment of the attached decree made by the judgment-debtor in contravention of such order after receipt of notice thereof, either through the said Registrar or otherwise shall be recognised so long as the attachment remains in force.
- (9) Where the movable property to be attached is—
- (a) a debt due to the defaulter in question,
- (b) a share of deposit, or
- (c) other movable property not in the possession of the defaulter except property deposited in or in the custody of any Civil Court, the attachment shall be made by written order signed by the Registrar of the district prohibiting—
- (i) in the case of the debt, creditor from recovering the debt and the debtor from making payment thereof ;
- (ii) in the case of the share or deposit, the person in whose name the share or the deposit may be standing from transferring the share or deposit or receiving any dividend or interest thereon ;
- (iii) in the case of the other movable property except as aforesaid the person in possession of it from giving it over to the defaulter.
- A copy of such order shall be sent in the case of the debt to the debtor, in the case of the share or deposit to the person-in-charge of the share or deposit and in the case of the other movable property, except as aforesaid to the person in possession of such property. As soon as the debt referred in Clause. (a) or the deposit referred to in Clause. (b) matures, the Registrar of the

district may direct the person concerned to pay the amount to him. Where the share is not withdrawable, the said Registrar shall arrange for its sale through a broker. Where the share is withdrawable its value shall be paid to the said Registrar or to the party concerned as soon as it becomes payable. In the case of the other movable property referred to in Clause (c) the person concerned shall place in the hands of the said Registrar, as soon as it becomes deliverable to the defaulter.

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

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

- (11) In respect of an attachment and sale, or sale without attachment of immovable property, the following procedure shall be followed:-

(a) The application made under sub-rule (3) shall contain such description of immovable property to be proceeded against, as is sufficient for its identification and in case such property can be identified by boundaries or numbers in a record of settlement or survey, the specification of such boundaries or numbers and the specification of the defaulter's share of interest in such property to the best of the decree-holder and so far he has been able to ascertain it ;

(b) The demand notice issued by the Registrar under sub-rule (3) shall contain the name of the defaulter, the amount due including the expenses, if any and the batta to be paid to the person who shall serve the demand notice ; the time allowed for payment and in case of non-payment, the particulars of the properties to be attached and to be sold without attachment, as the case may be.

After receiving the demand notice, the sale officer shall serve or cause to be served a copy of the demand notice upon the defaulter or upon some adult male member of his family at his usual place of residence, or upon his authorised agent, or if such personal service is not possible, shall affix a copy thereof on some conspicuous part of his last known residence or on some conspicuous part of the immovable property about to be attached and sold or sold without attachment, as the case may be:

Provided that where the Registrar is satisfied that a defaulter with intent to defeat or delay the execution proceedings against him is about to dispose of the whole or any part of the property, the demand notice issued by the Registrar 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 sale officer shall proceed to attach and sell or sell without attachment, as the case may be, the immovable property noted in the application for execution ;

(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 defaulter's last known residence, if any. The fact of attachment shall also be proclaimed by beat of drum at some place on or adjacent to such property and at such other place or places as the Registrar of the district may consider necessary to give due publicity to the sale. The attachment notice shall set-forth that unless the amount due with interest and expenses be paid within the date therein mentioned the property will be brought to sale. A copy shall be sent to the decree-holder. Where the sale officer so directs the attachment shall also be notified by public proclamation in the district gazette ;

(e) Proclamation of sale shall be published by affixing as notice at the office of the Registrar of the district and taluk office atleast thirty days before the date fixed for the sale and also beat of drum in the village on two consecutive days previous to the date of sale and on the day of sale. Such proclamation shall, where attachment is required before sale be made after the attachment has been affected. Notice shall also be given to the decree-holder and the defaulter. The proclamation shall state the time and place of sale and specify as fairly and accurately as possible.

(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 decree-holder shall, when the amount for the realisation of which the sale is held, exceeds one hundred rupees, furnish to the sale officer within such time as may be fixed by the sale officer or by the Registrar of the district, an encumbrance certificate from the Registration Department for a period of not less than twelve years prior to date of attachment of the property, sought to be sold or in a case falling under the provisio 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 discretion of the sale officer or the Registrar of the district, 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 or accept the highest bid where the price offered appears to be

unduly low or for other reasons and provided also that the Registrar of the district or the sale officer may, in his discretion adjourn the sale to a specified day and hour, recording his reasons for such adjournment. Where a sale is so adjourned for a longer period than seven days a fresh proclamation under Clause (e) shall be made, unless the judgment-debtor consents to waive it. The sale shall be held after the expiry of not less than thirty days calculated from the date on which notice of the proclamation was affixed at the office of the Registrar of the district. The time and place of sale shall be fixed by the Registrar of the district and the place of sale shall be fixed by the Registrar of the district and the place of sale shall be the village <sup>1</sup>[or town] where the property to be sold is situated or such adjoining prominent place of public resort as may be fixed by the said Registrar:

Provided that in case where an encumbrance certificate is not obtainable owing to the destruction of the connected records, an affidavit from the village kamam 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 the place of an encumbrance certificate.

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

Provided that where the decree-holder is the purchaser and is entitled to set off the purchase money under Clause (k), the sale officer shall dispense with the requirement of this rule.

(h) The remainder of the purchase money and the amount required towards stamp fees for the certificate under Clause (v) of sub-rule (14) shall be paid within fifteen days from the date of sale:

Provided that the time for payment of the stamp fees may, for good and sufficient reasons be extended at the discretion of the Registrar of the district upto thirty days from the date of sale:

Provided further that in calculating the amounts to be paid under this clause, the purchaser shall have the advantage of any set off to which he may be entitled under Clause (k) ;

(i) In default of payment within the period mentioned in Clause (h) the deposit may, if the Registrar thinks fit after defraying the expenses of the sale, be forfeited to the Government and the property shall be resold 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 re-sale of 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 specified in these rules for the sale.

(k) Where a decree-holder is himself the purchaser, the purchase money and the amount due on the decree shall be set off against one another and the sale officer shall record satisfaction of the decree in whole or in part accordingly.

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

(13) (i) Where immovable property has been sold by the sale officer, any person either owning such property or holding an interest therein by virtue of a title acquired before such sale may apply to the Registrar of the district to have the sale set aside on his depositing with him—

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

(b) for payment to the decree-holder, the amount of arrears specified in the proclamation of sale as that for the recovery of which the sale was ordered together with interest thereon and the expenses of attachment, if any, and sale and other costs due in respect of such amount less any amount which may since the date of such proclamation have been received by the decree-holder.

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

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

(iii) A person applying under sub-rule (14) to set aside the sale of immovable property, shall not be entitled to make an application under the sub-rule.

(14) (i) At any time within thirty days from the date of the sale of immovable property, the decree-holder 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 Registrar of the district 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, mistake or fraud unless the Registrar is satisfied that the applicant has sustained substantial injury by reason of such irregularity, mistake or fraud.

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

(iii) On the expiration of thirty days from the date of sale if no application to have the sale set aside is made under sub-rule (13) or under Clause (i) of this sub-rule or if such application has been made and rejected, the said Registrar shall make or order confirming the sale:

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

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

1[(vi) An order made under Clause (v) of this sub-rule shall, subject to an appeal under Section 76 of the Act within 90 days from the date of the order, be final and shall not be liable to be questioned in any suit or other legal proceedings.]

(15) Where any lawful purchaser of immovable property is resisted and prevented by any person, other than a person (not being the defaulter) claiming in good faith to be in possession of the property on his own account from obtaining possession of the immovable property purchased, any Court of competent jurisdiction, on application and production of the certificate of sale, provide for by sub-rule (14) shall cause the proper process to be issued for the purpose of putting such purchaser in possession in the same manner as if the immovable property purchased has been decreed to the purchaser by a decision of court.

(16) It shall be lawful for the sale officer to sell the whole or any portion of the immovable property of a defaulter in discharge of money due provided always

1. Subs. by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.

that so far as may be practicable, no larger portion of immovable property shall be sold than may be sufficient to discharge the amount due with interest and expenses of attachment ; if any, and sale.

(17) Where attachment has been made under these rules, any private transfer or delivery of the property attached or of any interest therein and payment to the defaulter of any debt, dividend or other moneys contrary to such attachment, shall be void as against all claims enforceable under the attachment.

**Explanation:—** For the purpose of this sub-rule, claims enforceable under an attachment include claims for the rateable distribution of assets under sub-rule (25).

(18) Persons employed in serving notice or in other process under these rules shall be entitled to batta at such rates as may, from time to time, be fixed by the Registrar.

(19) Where the cost and charges incurred in connection with attachment and sale of movable property of the attachment and sale or sale without attachment of immovable property under this rule exceeds the amounts of the cost deposited by the decree-holder under sub-rule (1), such excess shall be deducted from the .sale proceeds of the property sold or the moneys paid by the defaulter, as the case may be, and the balance shall be made available to the decree-holder.

(20) Every person making a payment towards any money due for the recovery of which application has been made under this rule shall be entitled to a receipt for the amount signed by the sale officer or other officer empowered by the Registrar of the district 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.

(21) (a) Where any claims is preferred or any objection is made to the attachment of any property under this rule on the ground that such property is not liable to such attachment, the officer shall investigate the claim or objection and dispose it of on the merits:

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

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

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

(22) (a) Any deficiency in price which may occur on a re-sale held under Clause (1) of Sub-rule (5) or clause (g) or Clause (j) of sub-rule (11) by reason of the purchaser's default, and all expenses attending such re-sale shall be certified by the sale officer to the Registrar of the district and shall, at the instance of either the decree-holder 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.

(b) Where the property is re-sold for a higher price than at the first sale, then the defaulting purchaser at the first sale, shall have no claim to the difference or increase.

(23) Where any property has been attached in execution of a decree, but by reason of the decree-holder's default, the Registrar of the district 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 further date. Upon the dismissal of such application, the attachment shall cease.

(24) The proceeds of every sale held under this rule shall be applied by the Registrar of the district, firstly in payment of all costs, charges and expenses properly incurred by him as incidental to the sale or any attempted sale ; secondly to the discharge of the amount due in respect of which the property was sold and lastly, the residue, if any, shall be paid to the person whose property has been sold or if there are more such persons than one, then to such persons according to their respective interests upon their joint receipt.

Any person dissatisfied with the decision of the Registrar of the district in regard to the distribution of such residue may within thirty days of the communication to him of such decision file a revision under Section 77 of the Act.

The Registrar of the district shall not distribute such residue until thirty days have elapsed from the communication of his decision to all the persons concerned or if, a revision under Section 77 of the Act has been filed within the said period of thirty days by any such person until the revision petition is disposed of or otherwise than in accordance with the decision of the Registrar therein.

(25) (a) Where the sale officer attaches or has attached under these rules any property, which is already under the attachment made in execution of a decree of any court, but not in its custody such court shall receive and release such property and shall determine claims thereto and any objections to the attachment thereof:

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1. Ins. by G.O.Ms.No. 2804, F&A (Leg.), dt. 24.11.1965.

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

(b) Where assets are held by the sale officer and before the receipts of such assets, demand notices in pursuance of application for execution of decree against the same defaulter have been received from more than one decree-holder and the decree-holders have not obtained satisfaction, the assets after deducting the cost of realisation shall be already distributed by the sale officer among all such decree holders in the manner as provided in Section 73 of the Code of Civil Procedure, 1908.

### THE SCHEDULE

Statement showing particulars of decree, decision or order obtained by the application on behalf of the ..... Co-operative Society.

Taluk	District
1.	Admission No.
2.	Name of member.
3.	Father's name.
4.	Residence of the member.
5.	Amount of decree, decision or order.
6.	Interest from the date of decree, decision order to the date of filing the present application less any amounts received during the interval (give details).
7.	Rate at which subsequent interest accrues.
8.	Relief prayed where movable or immovable property is desired to be proceeded against first.
9.	Description of immovable property to be proceeded against (set out full particulars of area, survey numbers, nature of land, rental value and capital value etc.)
10.	Interest or share of defaulter in the immovable property.
11.	Encumbrancer.
12.	Remarks.

**Note:—** Particulars for column 11 should be furnished when the amount for the realisation of which the sale held exceeds Rs. 100. Where the particulars for

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Column 11 are not filled up, the applicant shall furnish to the sale officer within 20 days of attachment of immovable property an encumbrance certificate from the Registration Department for a period of not less than 12 years prior to the date of the execution application on which the sale is ordered.

**53. Procedure in the distraint and sale of the procedure of mortgaged and or any movable property under Section 103 and for the sale of mortgaged property under Section 104:—**

The procedure laid down in Rule 52 for execution of a decree, decision, contribution or orders, shall be applicable in respect of a <sup>1</sup>[Primary Agricultural Credit Society/Co-operative Central Bank] applying for the recovery of any instalment by distraint and sale of the procedure of the mortgaged land under the provision of Sections 103 and 104 of the Act against a defaulter with the following modifications, namely—

- (a) The application for distraint and sale of produce of the mortgaged land including the standing crops thereon and any other movable property shall be signed by a person authorised by the committee of the mortgage bank;
- (b) The demand notice shall be served upon the defaulter by delivering, a copy to him or to some adult male member of his family at his usual place of residence or to his authorised agent, or when such service cannot be effected, by affixing a copy of the demand notice on some conspicuous part of his residence and of his land ;
- (c) As soon as a distraint is made, the sale officer shall deliver to the defaulter a list of the property distrained and shall give him intimation in writing of the place, and the day and hour at which the distrained property will be sold:

Provided that where owing to the absence of the defaulter it is not possible to deliver such list to the defaulter, the sale officer shall deliver such list to some adult male member of the defaulter's family or to the authorised agent of the defaulter and when such delivery is not possible, shall affix the list on some conspicuous part of his residence endorsing thereon the place where the property is situated and the place, day and hour at which the property will be sold:

Provided also that where the defaulter does not reside in the village in which the land, the standing crops or the produce of which is distrained, is situated, the list shall be affixed in some conspicuous part of the land and a copy of it shall be sent by registered post to the defaulter to his last known place of residence.

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1. Subs. by G.O.Ms.No. 229, dt. 4.5.1987.

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- (2) Procedure in the sale of mortgaged property:— In exercising the power of sale conferred by Section 104, the committee of an agricultural development bank or any person duly authorised by such committee may apply to the Registrar of the district to sell the mortgaged property or any part thereof and such officer shall, after giving notice to all the persons referred in clause (b) of sub-section (1) of Section 104 of the Act, sell such property in the manner laid down in Rule 52 with the following modifications namely:—
  - (a) The sale shall be by public auction and shall be held in the village where the mortgaged property is situated or at the nearest place of public resort if the sale officer is of the opinion that the property is likely to sell to better advantage there ;
  - (b) The Registrar of the district shall give a notice in writing to all the persons aforesaid stating the amount claimed by the bank including expenses incurred by it in the service of notice and particulars of the properties to be sold in case of non-payment, within a time to be allowed;
  - (c) If before the expiration of the time allowed in the notice issued under clause (b), the amount specified in such notice is not paid, the sale officer, shall after giving notice to the agricultural development bank on whose behalf the application is made, proceed to sell the immovable property specified in the application in the following manner-
    - (i) Proclamation of sale shall be published by affixing a notice in the office of the Registrar of the district and in the taluk office atleast ten days before the date fixed for the sale and in the village where the mortgaged property to be sold is situated, on two consecutive days previous to the date of sale and on the day of sale.
    - (ii) The proclamation shall state the time and place of sale and specify as fairly and accurately as possible, the property to be sold the revenue or rent payable in respect thereof, the amount for the recovery of which the sale is ordered, and every other matter which the sale officer considers, material for purchaser to know in order to judge the nature and value of the property ;
    - (iii) When any mortgaged immovable property is sold under these rules the sale shall be subject to prior encumbrances on the property if any. The sale shall be by public auction to the highest bidder and the sale officer may, in his discretion, adjourn the sale to be specified day and hour recording his reason for such adjournment, and where the sale is so adjourned for a longer period than seven days, a fresh proclamation under sub-clause (i) shall be issued unless the mortgagor consents to waive it.

**1[54. Mode of making attachment before judgment under Section 73 of the Act:—**

- (1) Every attachment of property directed under Section 73 of the Act shall be made in the same manner as provided in Rule 52.
- (2) Where a claim is preferred to property attached under sub-rule (1), such claim shall be investigated in the manner and by the authority specified in Rule 52.
- (3) A direction made for the attachment of any property under Section 73, may be withdrawn by the Registrar of the district—
  - (a) When the party concerned furnishes the security required, together with security for the costs of the attachment; or
  - (b) When the liquidator determines under clause (c) of sub-section (1) of Section 66 of the Act or the official assignee under clause (c) of sub-section (2) of Section 9(c) of the Act determines that no contribution is payable by the party concerned; or
  - (c) When the Registrar passes an order under sub-section (1) of Section 60 of the Act that the party concerned need not repay or restore any money or property or any part thereof with interest or contribute any sum to the assets of the society by way of compensation; or
  - (d) When the dispute referred to in sub-section (1) of Section 61 of the Act has been decided against the party at whose instance the attachment was made.
- (4) Any attachment made under sub-rule (1) shall not effect the rights existing prior to the attachment, of persons not parties to the proceedings in connection with which the attachment was made, nor bar any person holding a decree against the person whose property is attached from applying for the sale of the property under attachment in execution of such decree.
- (5) Where the property is under attachment by virtue of the provisions of this rule and a decree is subsequently passed against the person whose property is attached, it shall not be necessary upon an application for execution of such decree to apply for reattachment of the property.

**55.Procedure for recovery of sums due to Government:—** The provisions of Rule 52 shall apply in regard to the recovery of any sum due to Government under Section 74 subject to the following modifications, namely—

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1. Subs. by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.

- (i) The Registrar of the district in which the cause of action arose, may on his own motion, take steps which he may deem suitable in the matter of such recovery in accordance with the provisions of the said rule, without any application having been made to him in that behalf under sub-rules (1) and (3) thereof.
- (ii) It shall not be necessary to deposit any sum by way of costs as required by sub-rule (1) of the said rule.
- (iii) It shall not be necessary for the sale officer to give the decree-holder previous notice, as required by clause (a) of sub-rule (5) of the said rule of the intention to serve the demand notice on the defaulter and in default of payment to distrain his property. Nor shall the provision of that clause which empowers the sale officer to require the decree-holder to undertake the custody of the distrained property apply.
- (iv) It shall not be necessary to send a copy of the attachment notice under Clause (d) or to give notice of a proclamation of the sale under Clause (e), to the decree-holder as required under Sub-rule (11) of the said rules.
- (v) The Registrar shall himself obtain the encumbrance certificate required to be furnished by the decree-holder under Clause (f) of sub-rule (11) of the said rule.
- (vi) The payments required to be made under sub-clause (b) of clause (i) of sub-rule (13) of the said rule shall be made to the sale officer on behalf of the decree-holder.
- (vii) The application referred to in clause (i) of sub-rule (14) of the said rule shall be made by the sale officer on behalf of the decree-holder.

**1[55-A.** The provision of Rule 52 shall apply in regard to recovery of any sum due for recovery ordered under Section 60 subject to the following modifications, namely:—

- (i) The Registrar of the district in which the cause of action arose, may on his own motion, take any steps which he may deem suitable in the matter of such recovery in accordance with the provisions of the said rule, without any application having been made to him in that behalf under sub-rules (1) and (3) thereof.
- (ii) It shall not be necessary to deposit any sum by way of costs as required by sub-rule (1) of the said rule.

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1. Added by G.O.Ms.No. 373, F&A (Co-op.IV), dt. 28.11.1985

- (iii) It shall not be necessary for the sale officer to give the decree-holder previous notice, as required by clause (a) of sub-rule (5) of the said rule of the intention to serve the demand notice of the defaulter and in default of payment to distrain his property. Nor shall the provisions of that clause which empowers the sale officer to require the decree-holder to under-take the custody of the distrained property apply.
- (iv) It shall not be necessary to send a copy of the attachment notice under Clause (d) or to give notice of the proclamation of sale under clause (e) to the decree-holder as required under sub-rule (11) of the said rules.
- (v) The Registrar shall himself obtain the encumbrance certificate required to be furnished by the decree-holder under Clause (f) of sub-rule (11) of the said rule.
- (vi) The payment required to be made under sub-clause (b) of clause (i) on the Sub-rule (13) of the said rule shall be made to the sale officer on behalf of the decree-holder.
- (vii) The application referred to in clause (1) of sub-rule (14) of the said rule shall be made by the said officer on behalf of the decree-holder.

**56. Application for review:—**

- (1) Every application for review under sub-section (2) of Section 78 of the Act, shall be made by any party within ninety days from the date of communication of the order passed under Section 76 or Section 77 of the Act.
- (2) No final order shall be passed on such application unless notice has been given to all parties interested to make their representations.

**57. Appointment of public enquiry officer and mode of dealing with loan applications:—**

- (1) An application for loan from Primary Agricultural Credit Societies/ Co-operative Central Bank shall be made in the form specified by the Primary Agricultural Credit Societies/Co-operative Central Bank and shall be addressed to the Secretary of the <sup>1</sup>[Primary Agricultural Credit Societies/Co-operative Central Bank]. The form shall among other things contain a list of documents which are required to be furnished for the purposes of dealing with the application.
- (2) The Secretary of the <sup>1</sup>[Primary Agricultural Credit Societies/Co-operative Central bank] <sup>2</sup>[or the Mandal Parishad Development Officer] shall receive all loan applications from the intending borrowers.

1. Subs. by G.O.Ms.No. 229 (Co-op.IV), Dt. 4-5-87.

2. Subs. for the words "Block Development Officer" by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.

- (3) The application together with copies of necessary documents and the amount of fees specified by the <sup>1</sup>[Primary Agricultural Credit Societies/Co-operative Central Bank] including the value of one share to be paid by the applicant shall be sent to the Secretary of the <sup>1</sup>[Primary Agricultural Credit Societies/Co-operative Central Bank] <sup>2</sup>[or the Mandal Parishad Development Officer].
- (4) On receipt of an application for loan, the Secretary of the <sup>1</sup>[Primary Agricultural Credit Societies/Co-operative Central Bank] <sup>2</sup>[or the Mandal Parishad Development Officer] shall put his initials on the application, mentioning his designation and the date of receipt of the applicatk
- (5) After an application for loan has been received, the Secretary <sup>2</sup>[or the Mandal Parishad Development Officer] shall verify whether it contains all the necessary particulars and accompanied by the necessary documents. If any details are lacking, he shall ask the applicant to supply the omissions within a specified time.
- (6) All applications received shall be entered in chronological order in the register of applications for loans maintained by the mortgage bank and shall be dealt within the same order.
- (7) After an application is entered in the register of applications for loan maintained for the purpose, the Secretary of the <sup>1</sup>[Primary Agricultural Credit Societies/ Central Co-operative Central Bank] <sup>2</sup>[or the Mandal Parishad Development Officer] shall forward it to the co-operative Sub-Registrar or any other person specified from time to time by Registrar for the purpose of sub-section (1) of Section 98 of the Act (hereinafter in these rules referred to as the public enquiry officer). The Public Enquiry Officer shall give atleast eight clear days notice in Form 'E' calling upon all persons interested to make their objections to the loan, if any before the date specified therein. The notice shall be affixed at the Chavadi of the village or villages where the applicant resides and in the limits of which the land proposed to be improved or offered as security for the loan, is situated. A copy of the notice shall be exhibited in the office of the Primary Agricultural Credit Societies/Co-operative Central bank concerned and it shall also be published by beat of drum in such village or villages.

If any person interested fails to appear before the Public Enquiry Officer as required by the aforesaid notice, the question at issue shall be decided in his absence and such person 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 fully by loanee.

1. Subs. by G.O.Ms.No. 229 (Co-op.IV), Dt. 4-5-87.

2. Subs. for the words "Block Development Officer" by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.

- (8) The Public Enquiry Officer shall consider every objection submitted under Sub-rule (7) and pass an order on it and then forward the application within two days of the disposal of the objections to the Primary Agricultural Credit Societies/ Co-operative Central bank concerned-

**1[58. Maintenance of a register of societies:—**

The Registrar shall maintain the following registers showing the names and addresses of all societies:—

- (l) (a) Registered under the Act  
 (b) Liquidated and de-registered under the Act;  
 (c) Converted to MACS Act and  
 (d) Election Monitoring register.
- (2) A record of the bye-laws of each such society, with all subsequent amendments thereto, arranged, in the order in which the amendments are registered.

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

- (1) A society shall keep and maintain such accounts, books and registers in connection with the business of the society, as the Registrar, may from time to time direct.
- (2) Without prejudice to the provisions of the foregoing sub-rule, the societies mentioned below shall keep the following books and accounts in the course of business transacted by them, namely:—

**A. Books to be maintained by the credit societies:**

- (i) Minutes book recording the proceedings of the meetings of the committee and of the general body.
- (ii) Admission book showing the name and address of each member, the date of admission, the shares taken by him and the amount paid by him towards such shares and the amount of share capital, if any, refunded to him, together with the date of each such payment and refund.
- (iii) Cash book showing daily receipts and expenditure, and the balance at the end of each day.
- (iv) Receipt book containing forms in duplicate, one to be issued for money received by the society and other to serve as counterfoil.
- (v) Loan ledger showing the number and the date of disbursement of each loan, issued to members, the amount of loan, the purpose for which it is granted

1. Subs. by Ibid.

- and the date or dates of repayment, distinguishing principal and interest ;
- (vi) Ledger of borrowings showing deposits and other borrowings of all kinds;
- (vii) Liability register showing the indebtedness of each member to the society whether on account of loans taken directly by him or on account of loans for which he stands as a surety ;
- (viii) Monthly register of receipts and disbursements ;
- (ix) Register of immovable property of defaulters brought in action by the society ;
- (x) Register of closed loans ;
- (xi) Register showing progress applications for arbitration and for execution;
- (xii) Voucher file containing all vouchers for contingent expenditure incurred by the society numbered serially and chronologically ;
- (xiii) Register of dividends.
- (xiv) In the case of a society with unlimited liability, property statement of members ;

**Note:—** The statement shall show the assets and liabilities of each individual member on the date of his admission as well as on the last date of each co-operative year. Full details of property including survey number of land shall be given. The statement should be entered in a register in stitched volumes.

- (xv) In the case of a society with limited liability, register of fluid resources.

**Note:—** This register shall show the immediate liabilities of the society and the extent of fluid resources available to meet them.

- (xvi) In the case of a society with limited liability the working capital of which exceeds rupees twenty thousand, general ledger.

**B. Books to be maintained by a financing bank:**

- (i) All the books to be maintained by a credit society ;
- (ii) Interest register showing interest payable and paid by each borrower;
- (iii) Reserve fund register showing reserve funds of society invested in the financing bank ;
- (iv) Suspense accounts ;
- (v) General information register showing under appropriate heads particulars about the financial condition and working of societies borrowing from the financial bank.

**C. Books to be maintained by a distributive or productive society:—**

- (i) Societies with credit branches shall maintain all the books maintained by the credit societies and societies without credit branches maintain the following books only:
- (a) Minute book ;
  - (b) Admission book ;
  - (c) Receipt book ;
  - (d) Cash book ;
  - (e) Voucher file ;
  - (f) Register of dividend ;
  - (g) Register of bonus on purchases made by members ;
- (ii) In addition, the following books shall be maintained by a distributive and productive society, with or without credit branches:—
- (a) Goods ledger containing a classification of goods stocked and sold ;
  - (b) Purchase books showing the daily purchases of articles ;
  - (c) Sales chit ;
  - (d) Daily sales book ;
  - (e) Register of purchases made by members ;

**D. Books to be maintained by a supervising union:**

- (i) Minute book ;
- (ii) Admission register of affiliated societies ;
- (iii) Day book ;
- (iv) Register of inspection of affiliated societies ;
- (v) Day book ;
- (vi) General information register with a demand, collection and balance statement of dues owing to a financing bank from every society which is under the supervision of the union ;
- (vii) Supervision fund register ;
- (viii) Register of assets and liabilities of members, with an abstract of changes

1. Subs. by G.O.Ms.No. 229 (Co-op.IV), Dt. 4-5-87.
2. Subs. for the words "Block Development Officer" by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.

therein, of every society with unlimited liability which is under the supervision of the union.

- <sup>1</sup>[(3) In the case of Co-operative Societies, having paid Staff, the Chief executive by whatever designation he is called and in case of all other societies without paid ministerial staff, the President shall be responsible for the custody and for maintaining or arranging for the maintenance properly and upto date the books, registers and accounts referred to in sub-rules (1) and (2)].
- <sup>2</sup>[(4) The Registrar may, by order in writing, direct the person who is responsible for maintaining the books and the accounts ; to get any or all the accounts and the books required to be kept and maintained by the societies under this rule, written upto such date, in such form and within such time as he may specify. In case of failure of the person to do so the Registrar may depute an officer to write up the accounts and books. In such case it shall be competent for the Registrar to determine the cost with reference to the time involved in the work of the officer deputed to do so- Such cost shall be recovered from the person responsible to maintain the books and accounts etc., of the society].
- <sup>3</sup>[(5) Every society or group of societies together shall appoint a paid clerk to write the books, accounts and registers to ensure up-to-date maintenance of record].

**60. Certifying copies of entries in books, documents etc.:-**

- (1) Every copy of an entry in the books of a society regularly kept in the course of business shall be certified by <sup>4</sup>[xxx] the president or the secretary and shall also bear the society's seal and in case of a society which is being wound up by the liquidator.
- (2) The charges to be levied for supply of such certified copies shall not exceed the amount specified in that behalf by the Registrar, from time to time.
- (3) Omitted by G.O.Ms.No. 1808, F & A, dt. 2.7.1965.

<sup>5</sup>[60-A. **Certifying copies of document:—** Every copy of the document or of an entry in such document taken under sub-section (2) of Section 120 shall be certified in the following manner, namely:—

I certify that the above is a true copy of the ..... \*/true copy of an entry or entries ..... \*and that I have compared the above with the original entry or entries in the ..... \* and found it/them to be correct.

1. Subs. G.O.Ms.No. 102 (Co-op.IV), dt. 27.2.1986.
2. Ins. by G.O.Ms.No. 220, F&A (Co-op.IV), dt. 9-4-1980.
3. Added by G.O.Ms.No.291, F&A (Co-op.IV), dt. 8-7-1982.
4. Omitted by G.O.Ms.No. 1108, F&A, dt. 2-7-1985.
5. Ins. G.O.Ms.No. 1808, F&A, Dept., Dt 2-7-1965.

Signature of the officer or person authorised

\* Nature of the document to be specified.

**<sup>1</sup>[60-B. Procedure in regard to registration of documents executed on behalf of Agricultural Development Bank or Central Agricultural Development Bank:—**

A copy of the instrument of mortgage executed in favour of an Agricultural Credit Society or Farmers Service Co-operative Society requiring registration duly certified by the Chief Executive of the society and when he is not on duty by the President of the society along with Supervisor of the financing bank shall be sent by the society to the Registering officer having jurisdiction within a period of fourteen working days from the date of execution of the instrument by registered post or through a messenger.

**Explanation:—** The term 'agricultural credit society' shall mean an agricultural credit society as classified under explanation to Clause (b) of sub-rule (2) of Rule 12].

<sup>2</sup>[Provided that, to facilitate Agricultural Credit directly to farmers, the Chief Executive of District Co-operative Central Bank Limited or the Branch Manager shall certify a copy of instrument of mortgage executed in favour of District Co-operative Central Bank Limited requiring registration to be sent to the Registering Officer having jurisdiction within 14 working days from the date of execution of the instrument by registered post or through messenger.]

**61. Authentication of notice of process:—** Every notice of process issued under the Act or under these rules shall be in writing and shall be signed by such officer or by any person authorised by him in writing in that behalf and authenticated by the seal, if any, of the officer or person by whom it is issued.

**<sup>3</sup>[62. Prohibition of the use of premises of a society:—** No society shall use or allow to be used any premises or portion thereof, which is intended for its business, for any purpose other than such business or other activity relating thereto, without the specific permission of the Registrar:

Provided that a private dealer if not permitted by the Registrar shall not do business of similar nature done by such society within its premises.

**63. Contribution to expenses connected with Co-operative conferences:—**

(1) No society shall contribute any money towards the expenses of any Co-operative conference, unless such conference is held under the auspices of a society which is authorised by its bye-laws to undertake the holding of such conference,

1. Subs. by G.O.Ms.No. 103, (Co-op.IV), Dt. 22.2.1988.
2. Proviso added by G.O.Rt.No. 1092, Agrl. & Coop. (Coop.IV), dt. 2-12-2003.
3. Sub. by G.O.Ms.No. 289, F&A (Co-op.IV), dt. 15-9-1980.

(2) The society holding the conference shall keep separate accounts of the income and expenditure of such conference, and such accounts shall be subject to audit by the Chief Auditor or by some person authorised by him.

**64. Payment of remuneration to members:—** A society other than a credit society, such as a co-operative stores, a weavers society, a milk supply society and a motor transport society may pay in accordance with its bye-laws and with the approval of the Registrar remuneration to its members based on the extent of business done by such members to the society or on the value of the services rendered by such members to the society or on such other basis as may be laid down in the bye-laws of the society for this purpose subject to a maximum of twenty-five per cent of the net profits:

Provided that motor transport society shall not pay as bonus to its member employees in any year an amount exceeding three months wages of salary:

Provided further that it shall be competent to a motor transport society to carry any balance that may remain out of the twenty-five percent of the net profits after having distributed bonus in a year, towards a bonus equalization fund to be drawn upon as provided in its bye-laws.

**65. <sup>1</sup>[Authorisation for taking delivery of records and properties:—**

The authorisation to be issued by the Registrar under Section 117, shall be in <sup>2</sup>[Form "K"].

**66. Restrictions on officers of society appearing as legal practitioners:—**

- (1) No officer of a society shall appear as a legal practitioner:
- (i) against such society or against any other society which is a member of the former society ; or
  - (ii) otherwise than in an honorary capacity, on behalf of such society or on behalf of any other society which is a member of the former society.
- (2) Any such person who contravenes the provisions of sub-rule (1) shall cease to be the officer of such society.

**67. Power to exempt a society or class of societies from the provisions of the rules:—** The Government may, by general or special order and for reasons to be recorded therein exempt any society or any class of societies from any of the provisions of these rules.

**<sup>3</sup>[68. Membership of employees in certain classes of societies:—**

(1) For the purpose of sub-clause (ii) of sub-section (2) of Section 21, the following shall be the class of societies prescribed, namely:—

1. Subs. by G.O.Ms.No. 57, F&A, dt. 6-2-1979.
2. Subs. G.O.Ms.No. 383, F&A (Co-op.IV), dt. 15-6-1979.
3. Subs. by G.O.Ms.No. 37, Agrl. & Coop. (Co-op.IV), dt. 28.1.2002.

- (a) Consumers Co-operative Stores.
- (b) Spinning Mills.
- (c) Sugar Factories.
- (d) Andhra Pradesh State Co-operative Bank.
- (e) The Andhra Fishermen Central Co-operative Society.
- (f) The Hyderabad Fishermen Central Co-operative Society.
- (g) The Central Delta Fishermen Central Co-operative Society.
- (h) The Co-operative Town/Urban Bank.

Provided that an employee of a Consumers Co-operative Stores, spinning mill the Andhra Pradesh State Co-operative Bank for the Andhra Fishermen Central Co-operative Society or the Hyderabad Fishermen Central Co-operative Society or the Central Delta Fishermen Central Co-operative Society may become member of any of those societies.

- (2) Where an employee becomes member of a society specified in sub-rule (1), he shall not hold any post as an officer in such society :

Provided that, this prohibition shall not apply to a Business Manager, General Manager, Managing Director or Director representing labour employed in the consumers co-operative stores, spinning mill or sugar factory the Andhra Pradesh Co-operative Bank or the Andhra Fishermen Central Co-operative Society or the Hyderabad Fishermen Central Co-operative Society or the Central Delta Fishermen Central Co-operative Society the Co-operative Town/Urban Banks as the case may be.

**69. Omitted by G.O.Ms.No. 1630, F & A (Leg.), dt. 6.8.1968.**

**1[70. Board of Directors of Central Agricultural Development Bank to constitute a centralised service:-**

- (1) (a) The Board of Directors of Andhra Pradesh Co-operative Central Agricultural Development Bank (hereinafter referred to as the "Board") shall have power to constitute a centralised service of the post of (i) Manager/Secretary; (ii) Engineering Supervisor ; (iii) Assistant Manager/Assistant Secretary ; and (iv) Executive Officer in the Primary Agricultural Development Banks and to exercise powers of appointment, transfer and disciplinary control and such other powers as may be incidental thereto ;
- (b) The posts of Manager/Secretary, Engineering Supervisor shall be deemed to have been brought under the "Centralised Service" with effect from 27.11.197C and those of Assistant Manager/Secretary and Executive Officer

with effect from 1.7.1979 and dates on which the respective services were centralised and continued to be so.

- (2) Subject to such rules and directions as may be made by the Government in this behalf the Board shall with the previous approval of the Registrar, frame regulations providing for the fixation of the pattern of staff qualifications, pay scale and other allowances and service conditions of the employees.
- (3) (a) For the proper administration of the "Centralised Service" it shall be open to the Board to divide the area of the State into such number of Zones as it may consider necessary, from time to time. Each Zone so formed shall be a separate unit for the purpose of appointment, promotion and transfer of employees of the centralised service ;
- (b) The Board or any person/persons authorised by it for the purpose, shall have power to make recruitment to the posts under Centralised Service for the Primary Agricultural Development Banks and also to exercise disciplinary control and powers to transfer in respect of the employees of the 'Centralised Service' in accordance with regulations.
- (4) (a) An employee, on being posted to any Primary Agricultural Development Bank, shall be entitled to receive his pay, allowances and other service benefits due to him from funds of the Primary Agricultural Development Bank, as may be determined by the Board from time to time, and it shall be binding on such Primary Agricultural Development Bank to pay the same to the employee;
- (b) Where any Primary Agricultural Development Bank fails to pay the amounts due to an employee the Registrar gives direction to the Primary Agricultural Development Bank to pay the amount due, which shall be binding on the Primary Agricultural Development Bank.
- (5) The inter-seniority of employees in the Centralised Service shall be determined by the Board.
- (6) The Board or any other person or persons authorised in this behalf shall have power to issue direction or order for compliance by the Primary Agricultural Development Bank in regard to any posting, transfer, payment of salary, bonds or other emoluments, leave or other conditions of service of any employee and non-compliance of such order or direction shall be deemed to be an offence liable for such action or sanction against such Primary Agricultural Development Bank as deemed appropriate by the said authority.
- (7) Notwithstanding anything contained in this and other rules in force an appeal shall be to the Commissioner for Co-operation and Registrar of Co-operative Societies against any decision or order of the Board.

**1[70-A. Allotment of employees to Primary Agricultural Development Banks****- Guidelines:—**

- (1) The Managing Director, A.P. Co-operative Central Agricultural Development Bank shall allot the employees coming under the categories of posts which have been decentralised, to the various Primary Agricultural Development Banks in the State in accordance with the guidelines mentioned below:—

<sup>2</sup>(i) The employees shall inform to the Managing Director in order of preference for allotment to any of the three Primary Agricultural Development Banks outside the Revenue Division of his/her nativity but within the district, within 60 days from the date on which this amendment comes into effect;

(ii) Where the employees have expressed their cases shall be considered strictly in accordance with their respective length of total service:

Provided that, Managing Director under special circumstances may consider any individual case for reasons to be recorded in writing other than the total length of service ; Provided further that in the case of Attenders, Watchmen, Drivers and Typists they may be as far as possible allotted to the Primary Agricultural Development Banks of their preference.

(iii) In cases where the employees have not indicated their preferences within the stipulated time limit or it has become not practicable to make allotments in the manner indicated in sub-rule (ii), it shall be open to the Managing Director to order allotment of candidates in the existing vacancies within the Zone.

<sup>3</sup>**[Note:—** The bank where the employee was first appointed, shall be treated as his Parent Bank and the Headquarters of such bank shall be deemed as his native place.]

- (2) An employee on allotment to any Primary Agricultural Development Bank, in accordance with the procedure laid down in sub-rules (ii) and (iii) shall be deemed to be an employee of that Primary Agricultural Development Bank and shall be governed by its special bye-laws in regard to his/her service conditions accordingly.
- (3) It shall be competent for the Primary Agricultural Development Bank to initiate or conclude the disciplinary action pending against any employee, on his/her allotment to said Primary Agricultural Development Bank, for any lapses committed on the date of coming into force of these rules including those in respect of which the A.P. Co-operative Central Agricultural Development Bank, initiated disciplinary action when he/she was a member of the centralised service prior to its abolition:

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1. Added by G.O.Ms.No. 354, dt/ 2-7-1985.
  2. Subs. by G.O.Ms.No. 461, dt. 23.9.1985.
  3. Ins. by G.O.Ms.No. 1072. (Co-op.) dt.11.7.1986.
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Provided that on a direction from the Andhra Pradesh Co-operative Central Agricultural Development Bank to initiate disciplinary action against an employee working in the Primary Agricultural Development Bank for the lapses committed or alleged to be committed by him or her, in his or her previous station/stations, it shall be binding on the Primary Agricultural Development Bank to comply with such direction, failing which it shall be deemed to be an offence liable for such action or sanction against such Primary Agricultural Development Bank as deemed appropriate.

- (4) Notwithstanding the abolition of the Centralised service in respect of certain categories of posts ; the employees of such abolished categories shall continue to be governed by the Master policy for Group gratuity, F.B.S., F.P.S., Deposit linked Insurance, being the social security measures the Provident Fund/ Trust administered by the A.P. Co-operative Central Agricultural Development Bank till such time they are transferred to the primary Agricultural Development Banks.
- (5) Notwithstanding anything contained in the foregoing rules it shall be competent for the recruiting agency and the Managing Director of the A.P. Co-operative Central Agricultural Development Bank to select and allot the successful candidates respectively from out of those who passed through written examination already held in March, 1985 to the various Primary Agricultural Development Banks, subject to availability of vacancies of the posts of supervisors.
- (6) Notwithstanding anything contained in this and other rules in force, an appeal shall lie to the Registrar of Co-operative Societies against any decision or order of the Managing Director,

**1[70-AA.** Notwithstanding anything in the bye-laws, no appointment or removal of a Chief Executive <sup>2</sup>[xxx] by whatever name called, shall be made without the approval of the Registrar of Co-operative Societies in respect of the following classes of Societies:—

- (1) All Apex Institutions.
- (2) Sugar Factories.
- (3) Spinning Mills.
- (4) District Backward Class and Scheduled Caste Societies.
- (5) Rural Electric Co-operative Societies.
- (6) The Andhra Pradesh State co-operative Union.

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1. Added by G.O.Ms.No. 102, (Co-op.IV), dt. 27.2.1986.
  2. Omitted by G.O.Ms.No. 205, (Co-op.IV), dt. 15.4.1987.
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**<sup>1</sup>[71. Service Conditions of common Cadre Employees under Section 116A:—**

The service conditions of Common Cadre Employee under Section 116-A, shall be governed by the existing regulations till they are modified by the rule made in this behalf by the Government.]

**<sup>2</sup>[72. Guidelines to allot decaderised Secretaries to the Societies:—**

(1) The Societies (Primary Agricultural Co-operative Societies, Large - Sized Co-operative Societies/Rural Banks and Multi-purpose Co-operative Societies) shall for the purpose of allotment of the Secretaries, consequent to the abolition of the common cadre, be categorised as follows:—

(i) Societies having business of (Loan outstanding) more than rupees ten lakhs.

(ii) Societies having business of (Loan outstanding) between rupees five to ten lakhs.

(iii) Societies having business of (Loan outstanding) between rupees three and five lakhs.

(iv) Societies having business of (Loan outstanding) less than rupees three lakhs.

**Note:—**Members Loan outstanding as at the end of the preceding Co-operative Year shall be taken into account.

(2) The allotment of the decaderised Secretaries to the Societies shall be regulated, as follows:—

(a) Each candidate (Secretary) shall indicate to the concerned Co-operative Central Bank his/her choice for allotment to any three societies in the order of preference outside the revenue mandal within which the village of his/her nativity falls, within a period of thirty days from the date on which this rule comes into force.

(b) Candidates with greater experience and possessing higher qualifications (being more than the minimum prescribed, for the posts of Cadre Secretaries) shall, as far as possible, be considered for allotment to any society under category No. (1) and the case of others, shall be considered for allotment to other categories of societies with reference to their respective length of service in the abolished cadre and qualifications:

<sup>3</sup>[Provided that a person who passed Matriculation with five years of experience, or a person who passed Intermediate Examination with three

years experience as Secretary of the Primary Agriculture Credit Society, shall be treated as equal to a graduate.

(c) The allotments referred to in Clause. (a) and (b) shall be made by the Registrar.

(3) (a) The Secretary on allotment to a Society, shall be deemed to be the employee of that society and shall be entitled to receive pay and allowances as may be fixed from the funds of the said society.

(b) The service conditions of the Secretaries working in the societies shall be governed by such service regulations as may be framed by the Registrar for adoption by the Societies.

(4) Subject to the disciplinary procedure laid down in the Service Regulations as may be issued by the Registrar of Co-operative Societies and to be adopted by the Societies, the society shall exercise disciplinary control over the Secretary.

Provided that, the disciplinary proceedings if any pending on the date of abolition of the common cadre shall be conducted against the concerned Secretary by the Society to which he/she stands allotted in accordance with such service Regulations.

<sup>1</sup>[(5) Notwithstanding anything contained in sub-rules (1) to (4), wherever Secretaries, who have been working from 22.4.1985 and who are not allotted for any reason whatsoever, to the Primary Agricultural Co-operative Societies as per the guidelines laid down in sub-rules (1) and (2) such Secretaries shall be deemed to have been allotted to the Primary Agricultural Co-operative Societies in which they are working on the date of issue of this notification and shall be governed as per the provisions of sub-rules (3) and (4).

Provided that the deemed allotment does not confer any legitimacy to those who are continuing after committing irregularities and that they could still be made accountable for deeds done in other societies.]

**<sup>2</sup>[73. Transfer of employees of erstwhile primary agricultural Development Banks to the service of the District Co-operative Central Banks:—**

Consequent in the abolition of the Primary Agricultural Development Banks with effect from 1-4-1987, the Registrar shall transfer under Clause. (d) of sub-section (2) of Sec. 11 of the Andhra Pradesh Co-operative Laws (Amendment) Act, 1987 (Act 1 of 1987), the officers and employees of erstwhile Primary Agricultural Development Banks (including those under Centralised Cadre) to the Service of the District Co-operative Central Banks concerned

1. Added by G.O.Ms.No. 355, F&A, (Co-op.IV), dt. 2-7-1985.

2. Added by G.O.Ms.No. 454, (Co-op.IV), dt. 13.9.1985.

3. Added by G.O.Ms.No. 319, (Co-op.IV), dt. 25.6.1986.

1. Subs. by G.O.Rt.No.988 Agrl. & Coop. (Co-op.IV), dt. 14.9.2004.

2. Subs. by G.O.Ms.No. 132, Agl. & (Co-op.III), dt. 3.3.93. Published in A.P. Gazette, Part II, Ext., Dt. 23.4.93.

in which they are working as on the date of Notification of this rule. On receipt of such orders from the Registrar the General Managers of the District Co-operative Central Banks shall communicate the same to all the concerned employees of the erstwhile Primary Agricultural Development Banks. Therefore the General Managers of the District Co-operative Central Banks shall take the following action for integration of the services.

- (i) **Equation of Cadres:**— The Employees in the erstwhile Primary Agricultural Development Banks shall be equated with the cadres in the Co-operative Central Bank as hereunder and after integration they shall be known by such designations, as specified below namely:—

<i>Cadres in the erstwhile Primary Agricultural Development Banks</i>	<i>Equated Cadre in District Co-operative Central Banks</i>
1. Manager and Secretary.	Manager.
2. Assistant Manager, Executive Officer,	This post will be kept as distinct fading category.
3. Engineering supervisor.	No equated post. This post will be kept as distinct category.
4. Accountant.	Accountant.
5. <sup>1</sup> [Assistant Accountant, Supervisor, Typist. The post of erstwhile clerks which are existing prior to 8-9-1970.	Supervisor, Clerk, Typist.]
6. Driver.	Driver.
7. —————	Jamedar, Attender to be kept as distinct category. Peon, Watchman.
8. Peon, Watchman	

- <sup>2</sup>(ii) All the officers and employees of the erstwhile Primary Agricultural Development Banks working as on the 1st April, 1987 be absorbed in the equated cadre posts in the District Co-operative Central Banks, where they were working as on the 1st April, 1987. This will not apply to employees of erstwhile Primary Agricultural Development Banks of transferred by the Managing Director of Andhra Pradesh Co-operative Central Agricultural Development Bank after the 1st April, 1987 from one District Co-operative Central Bank to another or employees in respect of whom issues transfer orders or requests received by him before the 23rd April, 1993 keeping in view the guidelines issued by the Commissioner for Co-operation and Registrar of Co-operative Societies and they shall be absorbed in the District Co-

1. Subs. by G.O.Ms.No. 109, Agl. & Co-op. (Co-op.IV), dt. 16.4.2001.

2. Subs. by G.O.Ms.No. 212, Agl. & Co-op. (Co-op.III), dt. 7-5-1994.

operative Central Banks in which they joined later as per such orders. The total strength of each cadre in the District Co-operative Central Banks shall stand increased to the extent of the number of employees of Primary Agricultural Development Banks absorbed in the cadre. The posts of Assistant General Managers in the District Co-operative Central Banks shall stand increased by 107 posts i.e., equivalent to the number of posts of Managers of erstwhile Primary Agricultural Development Banks in the District as on the 31st March, 1987. These posts shall be filled in on the basis of common seniority of the Managers of District Co-operative Central Banks and the Managers and the Secretaries of the erstwhile Primary Agricultural Development Banks in the integrated cadre of Managers of the District Co-operative Central banks duly observing the norms for promotions. The posts vacated by the 107 employees shall stand abolished on their absorption as Assistant General Managers. The revised integrated cadre strength of the District Co-operative Central Bank shall, however, be subject to revision according to any re-organised staffing pattern evolved for each District Co-operative Central Bank and also taking into account the legitimate business requirements of the District Co-operative Central Banks, interest margins available and viability of the District Co-operative Central Bank”.

- <sup>1</sup>[(iii) (a) The Managing Committee of the District Co-operative Central Banks may fill up operational vacancies upto cadre IV as existing as on the 1st April, 1987 in the erstwhile Primary Agricultural Development Banks and in the District Co-operative Central Banks by notionally promoting employees from the respective streams, duly following the service regulations and general norms for promotions. The said operational vacancies shall be reckoned in terms of the posts in the District Co-operative Central Banks and erstwhile Primary Agricultural Development Banks which were once filled by the institutions but became vacant later. The operational vacancies under Short Term and Long Term streams that arose between the 1st April, 1987 to 31st October, 1991 shall be filled up from the respective streams following the principle governing promotions. The posts required to be filled by direct recruitment shall not be considered while determining the operational vacancies for notional promotions.

(b) The consequential vacancies arising subsequent the 31st October, 1991 from out of such promotions in all the cadres shall not be filled up till revised staffing pattern is evolved duly taking into account the legitimate business requirements, interest margins available and financial viability of District Co-operative Central Banks.

(c) The promotions will have only notional effect for reckoning the seniority in the integrated cadre and monetary benefit will be extended to the employees with effect from 1-1-1993.

1. Subs. by G.O.Ms.No. 212, Ag & Co-op (Co-op.III), dt. 7-5-1994.

(d) This process of the filling up promotional vacancies shall be completed by the Managing Committee of the District Co-operative Central Banks within a reasonable time frame.”

<sup>1</sup>[(iv) **Future Promotions:**— The future vacancies of Managers in the District Co-op. Central Banks shall be filled up by promotion from the common pool of Assistant Managers, Executive Officers, Engineering Supervisors or Accountants of erstwhile PADBs and Accountants of the DCCBs on <sup>2</sup>[duly following service regulations and general norms governing the promotions] and taking into account vacancies to be filled by direct recruitment. However, the Engineering Supervisors posts will cease either by promotion or retirement of the said personnel.

<sup>3</sup>[(v) (a) “After receipt of orders of transfer to the services of District Co-operative Central Banks, the employees of erstwhile Primary Agricultural Development Banks shall exercise option either to continue in the erstwhile Primary Agricultural Development Bank Service regulations in respect of pay and other allowances as governing them as on the 1st April, 1987 or opt to the pay and allowances of District Co-operative Central Banks till such time uniform pay scales and allowances are evolved. In such cases where they opt for pay and allowances of District Co-operative Central Banks the employees of erstwhile Primary Agricultural Development Banks shall be given wage parity with reference to the length of service in the equated cadre with the employees of the District Co-operative Central Banks with effect from the 1st January, 1993. In case of non-monetary items such as disciplinary actions, promotions and such other matters the existing regulations as are applicable to the employees of corresponding cadres of District Co-operative Central Banks shall apply.”

(b) The General Manager of the District Co-operative Central Bank shall call for options of all the erstwhile Primary Agricultural Development Banks personnel, by issue of individual notice, as well as by affixture on the notice Board of the District Co-operative Central Bank Head Office and its Branches in the district. The erstwhile Primary Agricultural Development Bank personnel shall send their options to the General Manager within one month from the date of notice calling for such options.

<sup>3</sup>(c) “If the erstwhile Primary Agricultural Development Bank personnel opt for District Co-operative Central Bank pay and allowances they shall be so governed with effect from the 1st January, 1993. If they opt for pay and allowances, gratuity and provident fund of erstwhile Primary Agricultural Development Banks, they shall be so governed till they get next promotion

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1. Subs. by G.O.Ms.No. 112, Ag & Co-op., dt. 13.4.1999.
  2. Subs. by G.O.Ms.No. 143, Ag & Co-op., dt 11.5.1999.
  3. Subs. by G.O.Ms.No. 212, Ag & Co-op (Co-op.III), dt. 7-5-1994.
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in the next cadre in the District Co-operative Central Bank in the integrated set up. On such promotion they shall be governed by the District Co-operative Central Bank pay and allowances”.]

(d) If any one does not give any option either to the District Co-operative Central Bank pay and allowances or erstwhile Primary Agricultural Development Bank pay and allowances within the time prescribed, they shall be governed by the erstwhile Primary Agricultural Development Bank pay and allowances till such time they get promotion as per norms and on such promotion they shall be governed by the District Co-operative Central Bank pay and allowances.

(e) The General Manager of the District Co-operative Central Bank shall finalise the options of all the employees of erstwhile Primary Agricultural Development Banks within a period of two months from the date of receipt of such options from the employees.

<sup>3</sup>[(vi) (a) **Inter-se-seniority:**- “The inter-se-seniority of the erstwhile Primary Agricultural Development Bank employees and of the District Co-operative Central Bank employees in the equated cadres in each district shall be fixed by the General Managers, District Co-operative Central Bank on the basis of the dates of their appointment in the cadres in which they are working on regular basis including notional promotions. If the dates of such appointments happens to be the same, the seniority shall be fixed on the basis of the age, the elder being placed above the younger. However, in this process, the inter-se-seniority of the Primary Agricultural Development Bank personnel and the inter-se-seniority of the District Co-operative Central Bank personnel shall not be disturbed”.

(b) The General Manager, shall initiate action for fixation of inter-se seniority within six months of issue of order by Registrar of Co-operative Societies transferring the erstwhile Primary Agricultural Development Bank employees to the District Co-operative Central Banks and give opportunity to all concerned to file objections, if any, within one month of publication of the inter-se-seniority and, after considering objections, issue the final list within four months.

(vii) **Disciplinary Control:**— The Managing Committee of the District Co-operative Central Bank or the officer authorised by it, shall have power over the employees of erstwhile Primary Agricultural Development Banks transferred to the service of the District Co-operative Central Banks in respect of disciplinary action, transfers, promotions- sanction of leave etc., as per District Co-operative Central Bank Employees Service Regulations.

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1. Subs. by G.O.Ms.No. 212, Ag & Co-op (Co-op.III), dt. 7-5-1994.
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- (viii) **Continuity of Service:**— The services rendered by the Officers and employees of erstwhile Primary Agricultural Development Banks upto and from 1-4-1987 shall be deemed to be service rendered in the District Co-operative Central Banks to which they were transferred.
- (ix) **Appeal:**— Any person aggrieved by any order of the General Manager of the District Co-operative Central Bank may appeal to the Managing Committee of the District Co-operative Central Bank concerned and its decision shall be final and binding.

**1[73-A. Andhra Pradesh State Co-operative Bank to disburse long term loans and make necessary arrangements:**— Consequent on the abolition of the Andhra Pradesh Co-operative Central Agricultural Development Bank by Section 2 of the Andhra Pradesh Co-operative Central Agricultural Development Bank by Section 2 of the Andhra Pradesh Single Window Co-operative Credit Structure at State Level Act, 1994 (Act 14 of 1994) the Board of the Andhra Pradesh State Co-operative Bank (successor Bank) shall have the power to make necessary administrative arrangements for the sanction and disbursement of the long term loans and other related functions].

**73-B: (I) Integration of services of the employees of Erstwhile A.P.C.C.A.D. Bank with the employees of the APCOB:**— Consequent on the abolition of the Andhra Pradesh Cooperative Central Agricultural Development Bank with effect from the 30th April, 1994 pursuant to sub-section (3) of Section 2 read with Clause (F) of sub-section (2) of Section 2 of the A.P. Single Window Cooperative Credit Structure at State Level Act, 1994 (Act 14 of 1994), the officers and employees of the Andhra Pradesh Cooperative Central Agricultural Development Bank whose services have been transferred to the Andhra Pradesh State Cooperative Bank shall be integrated with the services of the Andhra Pradesh State Cooperative Bank i.e., the successor Bank and the Managing Director of the Bank shall take action for integration of the services in the following manner .

1. Ins. by G.O.Ms.No. 207, Agl. & Co-op. (Co-op.III), Dt. 29-4-1994.
2. Added by G.O.Ms.No. 121, Ag. & Co-op. Dept., dt. 22.4.1999.

### Equation of cadres

<i>Cadres in the erstwhile Andhra Pradesh Cooperative Central Agricultural Development Bank</i>	<i>Equated cadre in Andhra Pradesh State Cooperative Bank.</i>
(i) Chief General Manager	: Chief General Manager (Post to be created)
(ii) General Manager	: General Manager (3 vacant posts of General Managers in A.P. State Co-op. Bank to be filled prior to integration).
(iii) Deputy General Manager/ Regional Officer	: Deputy General Manager in Andhra Pradesh State Co-op. Bank and General Manager in Dist. Co-op. Central Banks (Common Cadre).
(iv) Assistant General Manager/Assistant Regional Officer/ Technical Officers]	: Assistant General Manager in Andhra Pradesh State Co-op. Bank and Deputy General Manager in Dist. Co-op. Central Banks (Common Cadre).
(v) Junior Officer (Non-Technical)/ Junior Officer (Technical)]	: Manager
(vi) Staff Assistant/Steno/Typist/ Engineering Supervisor/Draftsman.	: Staff Assistant/Steno/Typist.
(vii) Junior Clerk	: Junior Assistant
(viii) (a) Drivers	: Subordinate Staff
(b) Attender/Watchman	: Attender/Driver/Watchman.

**(2) Cadre Strength:**— The staff strength of the integrated bank shall be as per the report of the Committee constituted for the purpose in G.O.Ms.No.930A & C Department, dated the 18th July, 1994.

In the case of promotions, if any, made by the Bank after 30th April, 1994 in the cadres of General Manager and common cadre Class-1 and Class-11 officers i.e., Deputy General Manager of Andhra Pradesh State Co-operative Bank/General Manager of District Co-operative Central Banks and Assistant General Manager of Andhra Pradesh State Co-operative Bank and Deputy General Manager of Dist. Co-op. Central Bank in Short Term Wing and

Assistant General Managers and Junior Officers in Long Term Wing pursuant to the Court Orders can be adjusted against the vacancies in the staff strength of the integrated Bank and it shall be treated as promotions on regular basis.

**(3) Inter-se-seniority:—**

- (a) The inter-se-seniority of the erstwhile Andhra Pradesh Co-operative Central Agricultural Development Bank Employees and that of the Andhra Pradesh State Co-op. Bank Employees in the equated cadres shall be fixed by the Board of Directors of Andhra Pradesh State Co-operative Bank on the basis of the dates of their appointment in the cadres in which they are working on regular basis as on 30th April, 1994. The inter-se-seniority of the employees who were promoted after 30th April 1994, shall also be fixed in accordance with the principle referred to above. If the dates of such appointments happen to be the same, the seniority shall be fixed on the basis of the age of the employees, the elder being placed above the younger.
- (b) The Board of Directors shall take action for fixation of inter-se-seniority by providing opportunity to all concerned to file objections, if any, within one month from publication of the inter-se-seniority and considering objections, if any, issue the final list within two months.

**(4) Pay and Allowances & Other Service Conditions:—**

- (a) Government have constituted a committee in G.O.Ms.No.338A&C (Co-op. VI) Department, dated 11-12-1998, with the Registrar of Co-operative Societies as its Chairman to suggest pay structure, allowances, service regulations and also staff pattern to the employees in the integrated Bank. Pending finalisation of the report of the Committee the employees and officers of the integrated Bank will be governed by their respective service regulations so far as pay scales, allowances and other monetary benefits are concerned. However, for the purpose of recruitment, promotion and disciplinary control, the service regulations of Andhra Pradesh State Co-operative Bank employees and common cadre regulations will be made applicable with reference to their respective services.
- (b) The erstwhile Andhra Pradesh Co-operative Central Agricultural Development Bank Employees who have been integrated with the services of the Andhra Pradesh State Co-operative Bank and common cadre shall have an option either to continue in the old service regulations applicable to them till the date of integration, even after integration of services till they get next promotion or retirement. On further promotion, they shall be governed by Andhra Pradesh State Co-operative Bank Employees Service Regulations or common cadre regulations.

1. Items (v), (vii) & (ix) Omitted and items (iv), (vi) & (viii) amended and items (vi) to (xi) renumbered as (v) to (viii) vide G.O.Ms.No. 8, Ag. & Coop. Dept., dated 8-1-2000.

**(5) Appeal:—**

- (a) Any person aggrieved by any order of the Managing Director, Andhra Pradesh State Co-operative Bank may appeal to the Managing Committee of the Andhra Pradesh State Co-operative Bank.
- (b) Any person aggrieved by an order by the Managing Committee may prefer an appeal to the Registrar of Co-operative Societies and the decision of the said Registrar of Co-op. Societies shall be final.

**74. Allotment of employees of Co-operatives Sugar Factories:—**

- (1) The Registrar shall allot the employees coming under the categories of posts which have been decategorised to the various Co-operative Sugar Factories in accordance with the rules mentioned below :
  - (i) The employees shall inform the Registrar in the order of preference for allotment to any 3 (three) Co-operative Sugar Factories within thirty days from the date of calling of such options.
  - (ii) In case it is not possible for the Registrar to accede to their options the Registrar may allot such employees to any of the Co-operative Sugar Factories by recording the reasons.
  - (iii) The cases where the employees have not indicated their preference within the stipulated limit or in case it is not practicable to make allotments in the manner indicated in the clauses (i) and (ii) it shall be open to the Registrar to order allotment of the employees to any of the Co-operative Sugar Factories.
- (2) If more than one employee opts for the same factory, the senior among them may be allotted in preference to the junior.
- (3) An employee on allotment to any of the Co-operative Sugar Factory in accordance with the procedure laid down in Clauses (i), (ii) and (iii) of sub-rule (1) and sub-rule (2) shall be deemed to be an employee of that co-operative Sugar Factory and shall be entitled to receive the pay and allowances from the funds of the society.
- (4) After the allotment is made, the employee shall be governed by the service conditions of the respective Sugar Factories and it shall be competent for the Sugar Factory to continue the pending disciplinary proceedings and impose punishments.

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**FORMS UNDER A.P. CO-OP. SOCIETIES RULES, 1964**

**FORM - A**

(Under Rule 3)

**Application for Registration of a Cooperative Society under the Andhra Pradesh Cooperative Societies Act, 1964.**

To  
The Registrar..  
Sir,

We the undersigned being eligible to become members, apply for the Registration of Cooperative Society with..... liability, under the title of..... having its registered office at..... Mandal..... District..... and its bye-laws.

- (2) We are enclosing two copies of the said bye-laws duly signed by us together with the following documents:
  - (a) a list of persons who have come forward to organise the society with their names and father's names, address and share amount and entrance fee contributed by them.
  - (b) a scheme showing the details, explaining as to the economic soundness of the society.
  - (c) a copy of the resolution authorising a member of the society to sign the application on behalf of the society in case the applicant is itself a registered society.
  - (d) the name and address of the person to whom correspondence regarding registration or other matter be addressed.
- (3) We also declare that the information given above including the enclosures, is correct to the best of our knowledge and belief.

Note:— Where all the applicants are individuals, not less than ten who have attained the age of majority and are of sound mind and each being a member of a different family should attest the application and the bye-laws. Where the applicant is a society, the application and the bye-laws should be signed by a member duly authorised in this behalf by such society.

Witnesses:

1.		Signatures			
2.					
	1.	5.	9.		
	2.	6.	10.		
	3.	7.			
	4.	8.			

**Certificate**

Certified that the..... society has deposited an amount of Rs.....on ..... in the..... bank towards share capital.”

Signature of Bank Manager with Stamp.

**Sworn Statement by Applicant**

(Under Rule3)

I..... h/s/d/w/o.....  
Aged.....Years residing at.....For the past.....years hereby declare that I do not possess any disqualification as specified under Section 21 of the A.P. Coop. Societies Act VII of 1964 and the Rules framed thereunder. I also declare that I have read the Cooperative Societies Act, Rules and the bye-laws and I am familiar with the rights, duties and obligations of membership and am willing to discharge them to the best of my ability in the interest of the cooperative society and its members and the society at large, that I shall always strive to further the interests of the cooperative society and the cooperative movement in general and I shall not do any acts of omission or commission which will bring me, my society and the cooperative movement to disrepute.

Place:

Date:

Signature of the Applicant.

1. Witness with address.

Signature.

2. Witness with address.

Signature.

**FORM AAA**

[Rule6-A(1)]

To  
The Registrar.....

We, the members of the Committee of ..... Co-operative Society whose signatures are appended below propose to bring a motion of no-confidence against Shri ..... Son of..... President/Vice-President of the ..... Society, Registration No..... a copy of the proposed motion of no confidence duly signed



**FORM-D**

[See Rule 52 (3)]

I..... (on behalf of the ..... Co-operative Society), holder of a decree, decision or order obtained (by the said Society) for realisation of money, hereby apply for execution of the decree, decision or order, particulars of which are given in the Schedule annexed, under the provisions of Section 70 of the Andhra Pradesh Co-operative Societies Act, 1964.

1. Names of parties :
  - (a) Plaintiff.
  - (b) Defendant (hereinafter called the defaulter.)
  - (c) In the case of an order, contributory (hereinafter called the defaulter).
2. Date of decree, decision or order.
3. Whether any payment of adjustment has been made subsequent to the decree, decision or order? If so, furnish details.
4. Previous applications, for execution if any, with date and result.
5. Amount with interest due on the decree, decision or order.
6. gainst whom to be executed.
7. Manner in which the assistance of the Registrar of the District is required; (for instance) I, pray that the total amount of Rs. .... together with interest on the principal sum upto the date of payment and the cost of taking out of the execution be realised by ;-
  - (i) the sale of movable property ;
  - (ii) attachment and sale of defaulter's immovable property as per annexed Schedule ;
  - (iii) simultaneous attachment and sale of movable and immovable property of the defaulter, with reasons therefor.

I declare that what is stated herein is true to the best of my knowledge and belief.

Station :

Date : *Signature of the applicant.***SCHEDULE**

(TO FORM-D)

Statement showing particulars of decree, decision or order obtained by the applicant on behalf of the ..... Co-operative Society  
..... taluk ..... district.

1. Admission No.

2. Name of the member.
3. Father's name.
4. Residence of the member.
5. Amount of decree, decision or order.
6. Interest from the date of decree, decision or order to the date of filing the present application less any amounts received during the interval (give details).
7. Rate at which subsequent interest accrues.
8. Relief Prayed:- Whether movable or immovable property is desired to be proceeded against first.
9. Description of immovable property to be proceeded against (Set-out full particulars of area, survey numbers, nature of land, rental value, capital value, etc.)
10. Interest of share of defaulter in the immovable property,
11. Encumbrances.
12. Remarks.

**Note :-** Particulars for Col. 11 should be furnished when the amount for the realisation of which the sale is held exceeds Rs. 100. Where the particulars for column 11 are not filled up, the applicant shall furnish to the sale officer within 20 days of attachment of immovable property an encumbrance certificate from the Registration Department for a period of not less than 12 years prior to the date of the execution application on which the sale is ordered.

**FORM-E**

[See Rule 57(7)]

Whereas Sri ..... resident of..... has applied for a loan for purpose of (specify purpose) ..... <sup>1</sup>[Primary Agricultural Credit Society] ..... and has proposed to offer as the security for the loan, the lands mentioned below :

**Lands in which improvement is proposed to be effected :**

1. Name of the village.
2. Survey No.
3. Area.
4. Assessment.

**Land proposed to be effected as security :**

1. Name of the village.
2. Survey No.
3. Area.

---

1. Subs. G.O.Ms.No. 229, (Co-op.IV), dt. 4.5.87.

---

- 1[4. Applicant's portion]
- 5. Assessment.
- 6. Boundaries

North/South/East/West.

Notice is hereby given that objections if any, to the grant of loan from persons interested will be heard by the undersigned—

at..... 0' clock  
 on.....20  
 at.....

Any person who wants 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 objection.

It is hereby notified for information of all persons interested that according to the provisions of Section 99 of the Andhra Pradesh Co-operative Societies Act, 1964, a written order by the Agricultural Development Bank or persons or committees authorised under the bye-laws of the bank to make loans for all or any of the purposes specified in Section 85 granting either before or after the commencement of the said Act, a loan to or with consent of person mentioned therein, for the purpose of carrying out works specified therein for the benefit of the land or for the productive purpose specified therein, shall for purposes of the said Act, be conclusive of the following matters ; namely—

- (a) that the work described or the purposes for which the loan is granted, is an improvement of productive purpose, as the case may be, within the meaning of Section 85 ;
- (b) that the person had at the date of the 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 benefiting the land specified and productive purpose concerns the land offered in security, or any part thereof as may be relevant.

If any person interested fails to appear as required by this notice, the question at issue will be decided in his absence and such person will have no claim whatsoever against the property for which the loan is applied for will be sanctioned, till such times as the loan together with interest thereon or any other dues arising out of loan are paid in full by the loanee. Dated this ..... day of..... 20 .

(Signed)

Designation of Officer.

Copy forwarded to the Village Munsiff or other corresponding Officer village and the Agricultural Development Bank Ltd. with a request to affix this notice at the village Chavidi and at the office of the Agricultural Development Bank immediately and inform the undersigned accordingly.

1. Subs. G.O.Ms.No. 281, F&A, (Co-op.IV), Dt. 22.2.1968.

**1[FORM I**  
**ELECTION NOTICE**  
 [See Rule 22(2)(b)(vi)]

Rc. No. .... Date .....  
 From To  
 (Name) ..... The Chief Executive Officer  
 (Designation): Election Officer  
 of Cooperative Society. .... (Society)

Sub:— Election of Cooperative Societies-Election to the Committee of ..... (Name of Society) (Revenue Mandal — Regarding.

Ref— Progs. Re. No. .... Dated ..... of the District Collector/Election Authority of District.

The District Collector/Election Authority ..... District has appointed me as Election Officer to conduct election to the committee of ..... to the society in ..... (Revenue Mandal) of ..... (District) on ..... (Date)

The following is the election programme of the said society.

- 1. Name of the Society, its registered No. and its registered office, or the class of society and the specified area.
- 2. Mode of Election (by secret Ballot/ show of hands)
- 3. Total No. of seats to be filled up by election and those reserved to be filled up by SC, ST, BC, women and others.
- 4. Demarcation of constituencies for election of Managing Committee members and their reservation

Constituency No.	Voters list Sl. No.		Reserved for (SC/ST/BC/Women/ Unreserved)
	From	To	
1.			
2.			
3.			

1. For Forms F, G-1, G-2 & H Forms I, II, III, IV, V, VI, VIII, IX, X(A), X(B), XI, XII & XIII subs. by G.O.Ms.No. 15, Ag. & Coop. (Coop.IV), dt. 15.1.2002.

- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.
- 12.

5. The Place or Places, time and the date of poll
6. Date, Place and time between which nomination papers shall be filed and the fees to be paid therefor.
7. The date, time and place at which nomination papers will be taken up for scrutiny
8. The date, time and place at which the final list of nominations shall be published
9. The date, time and place for withdrawal of nomination (upto / before 5.00 PM of the following day on which the valid nominations are published).
10. The date, time and place at which the final list of valid nomination after withdrawal shall be published.
11. The date, time and place at which the allotment of symbols to the contesting candidates are made
12. The date, time and place at which the candidates will be declared as elected in case the list of valid nominations do not exceed the total number of seats for which elections are held.
13. Date, time and place at which the counting of Votes will be conducted in case of contest
14. Date and place for declaration of results of poll
15. Date, time and place for co-option for the casual vacancies/unfilled vacancies of members of managing committees by election officer and also election of office bearers

**N.B.:**— All the members of the society may verify from the list of members eligible to vote displayed on the Notice Board.

Seal of the Society

*Signature*  
(Election Officer)

## FORM - II

[See rule 22(2)(b)(vii)]

Nomination form for election as a member of the Committee of a society

1. Name of the Society :
2. Admission number and name of the candidate/society delegate :
3. Father's or husband's Name :
4. Address :
5. Admission number and name of the proposer :
6. Signature or Thumb impression of the proposer :
7. Admission number and name of the seconder :
8. Signature or Thumb impression of the seconder :

### Candidate's Declaration

I declare that I am willing to stand for election (as member of the Committee) and that the best of my knowledge and belief I have not incurred any disqualification for membership of Committee.

I here by are that I belong to ..... (sub-caste) which has been declared to be a ..... (category) date .....

(Certificate from Mandal Revenue Officer ..... is enclosed).

Place:

Date:

Time:

Signature of the Candidate

### ACKNOWLEDGMENT

I acknowledge receipt of nomination form presented to me for contesting for member/office bearer of the ..... society on..... with ( ) enclosure at ..... time along with nomination fee of Rs. .... (Rupees .....

Signature of Election Officer

Seal

**FORM -III**

**List of Nominations received**

[See rule 22(4)(e)]

Name of the Society ..... Date .....

For the post of M.C. Member / Const. No..... /Category

S.No.	Admission No.	Name of the Candidate	Father's/ Husband's Name	Address	Name of the Proposer	Name of the Seconder
1	2	3	4	5	6	7

Election Officer

**FORM - IV**

**List of valid nominations after scrutiny**

[See rule 22(5)(f)]

Name of the Society : ..... Date .....

For the post of M.C. Member/Const. No. .... / Category

S.No.	Admission No.	Name of the Candidate	Father's Name	Address
1	2	3	4	5

**Note:—** In Telugu alphabetical order starting with Surname.

Election Officer

**FORM-V**

**List of invalid nominations for the post of ....**

[See rule 22(5)(f)]

Name of the Society ..... Date : .....

For the post of M.C. Member/Const. No.

S.No.	Name of the Candidate	Father's Name	Village/ Place	Constituency/ area	Category	Reasons
1	2	3	4	5	6	7

Election Officer

**FORM- VI**

**Notice of withdrawal**

[See rule 22(6)]

To ..... Date : .....

The Election Officer

.....

Society.

**Sub:—** Elections-Withdrawal of nomination — Reg.

\*\*\*\*\*

I am to state that, I have filed nomination for the post of Managing Committee Member for the constituency No..... for the elections scheduled to be held to the Managing Committee of..... society on.....

Now, I wish to withdraw my nomination from the contest and request to accept my withdrawal and delete my name from the list of contestants.

Yours faithfully

**Witness :**

1. Proposer :

2. Seconder :

**Name:**

Admission No.

Signature.

**FORM -VII**

**Final list of valid nominations after withdrawal of nominations**

[See rule 22(7)]

Name of the Society : ..... Date .....

For the post of M.C. Member/Const. No.

S.No.	Admission No.	Name of the Candidate	Symbol Allotted
1	2	3	4

Election Officer

**FORM -VIII**

[See rule 22 (8)]

**(PROFORMA BALLOT PAPER)**

For the post of M.C. Member  
Constituency No.

S.No.  
For the post of M.C. Member  
Constituency No.

S.No.	Symbol
01.	
02.	
03.	
04.	
05.	
06.	
07.	
08.	
09.	
10.	

**FORM -IX**

**Appointment of an Agent**

[See rule 22(9)(b)]

To  
The Election Officer  
..... Society  
.....

Sir,

**Sub:—** Blections — Request for appointment of Agent - Reg.

I am to inform that, I am the contesting candidate for the post of M.C.Member for constituency No. .... of the elections scheduled to be held on ..... to the Managing Committee of ..... Society.

I request to appoint Sri .....as my polling agent at Booth No. .... and issue an agent pass.

The Signature of the said polling agent is attested here under :

Yours faithfully,

Name :  
Signatures of the Agent  
//Attested//

Signature of the Candidate

Signature :  
Name :  
Admn. No.:  
Candidate for the post of Managing  
Committee Member.  
In case of challenge vote

**FORM -X(A)**

[See rule 22(9)(j)(ii)]

**DECLARATION BY VOTER**

I, Sri.....S/o. ....  
 ..... R/o. .... do hereby declare that I  
 am the bona fide member of ..... Cooperative Society  
 .....

Signature:

Name :

Decision by Election Officer/ Presiding Officer

Signature

Election Officer/ Presiding Officer

**FORM -X(B)**

**TENDERED VOTES LIST**

[See rule 22(9)(j)(iii)]

Name of the Society ... Date .....  
 Const. No.

Sl.No	Name of the Member/Voter list	Admn. No.	Sl. No. in the Voters	Constituency No.	Signature or Thumb Impression of Voter
1	2	3	4	5	6

Election Officer

**FORM -XI**

**Ballot Paper Account**

[See Rule 22(9)(k)]

Name of the Society

Date :

For the post of: M.C. Member/Const. No.

Ballot Papers

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16

Election Officer

**FORM - XII**

**List of Successful Candidates**

[See rule 22(10)(b)]

Name of the Society : .....

Date : .....

For the post of: M.C. Member/Const No.

Sl.No.	Admn.No.	Name of the Candidate	No. of valid votes secured
1	2	3	4

Total No. of Valid Votes

Total No of rejected votes

I do hereby declare that the following candidate / candidates / have been duly elected as Member of the Committee of the Society.

Sl.No.	Name of the Candidate	No of votes secured
1	2	3

Signature of the Election Officer

**FORM -XIII**

**Notice to the Members of the Managing Committee**

[See rule 22(12)(b)]

Notice of the Election Officer .....

Society ..... Mandal ..... District ..... under Rule 22 (12) (b) of Andhra Pradesh Cooperative Societies Rules, 1964.

Present: Sri ..... Election Officer

Re.No. .... Date .....

Sub : Elections—Cooperative Societies—Election of Office bearers, to the Society—convening meeting of Managing Committee for the purpose—Notice to the President and members of the Managing Committee—Issued.

Ref : Elections held on ..... where election to the members of the Managing Committee of ..... Mandal in ..... District was held on .....

Whereas, for election of the Office bearers of the Society, a meeting of the elected members is proposed to be convened, and as such notice is hereby given to the following elected members to attend the meeting at the office of the ..... Society on ..... at ..... A.M. for election of the office bearers other than the President.

Election Officer

- To  
Sri/Smt.
1. .... Directly Elected President
  2. .... Elected Member
  3. .... Elected Member
  4. .... Elected Member
  5. .... Elected Member
  6. .... Elected Member
  7. .... Elected Member
  8. .... Elected Member
  9. .... Elected Member
  10. .... Elected Member
  11. .... Elected Member
  12. .... Elected Member
  13. .... Elected Member

**FORM -XIV**

**(See Rule 22(12)(b))**

**Nomination form for election of president /Office bearers**

1. Name of the Society :
2. Admission number :
3. Father`s or husband`s Name :
4. Address :
5. Admission number and name of the proposer :
6. Signature or Thumb Impression of the proposer :
7. Admission number and name of the seconder :
8. Signature or Thumb impression of the seconder :

**Candidate`s Declaration**

I declare that, I am willing to stand for election as president/Office bearer and that the best of my knowledge and belief, I have not incurred any disqualification from the membership of the committee.

Place : \_\_\_\_\_  
Date : \_\_\_\_\_  
Time : \_\_\_\_\_

Signature of the Candidate

**ACKNOWLEDGEMENT**

I acknowledge the receipt of nomination form, presented to me for contesting for President ship/Office bearer of the \_\_\_\_\_ society on \_\_\_\_\_ at \_\_\_\_\_ (time)

Signature of Election Officer  
Seal

**Form XV****List of Nominations received****(See Rule 22(12)(b))**

Name of the Society \_\_\_\_\_ Date \_\_\_\_\_

For the post of President / Vice-President / Treasurer

Sl. No.	Admission No.	Name of the Candidate	Father's / Husband's name	Address	Name of the Proposer	Name of the Secunder
1	2	3	4	5	6	7

Election Officer

**Form XVI****List of Nominations received after scrutiny****(See Rule 22(12)(b))**

Name of the Society : \_\_\_\_\_ Date : \_\_\_\_\_

For the post of President / Vice-President / Treasurer :

Sl. No.	Admission No.	Name of the Candidate	Father's Name	Address
1	2	3	4	5

Note :- In Telugu alphabetical order starting with Surname.

Election Officer.

**Form XVII****List of Invalid nominations for the post of \_\_\_\_\_****(See Rule 22(12)(b))**

Name of the Society : \_\_\_\_\_ Date : \_\_\_\_\_

For the post of President / Vice-President / Treasurer :

Sl. No.	Name of the Candidate	Father's Name	Village/ Place	Constituency area	Category	Reasons for rejection
1	2	3	4	5	6	7

Election Officer

**Form XVIII**  
**Notice of withdrawal**  
**(See Rule 22(12)(b))**

To \_\_\_\_\_ Date : \_\_\_\_\_

The Election Officer,  
\_\_\_\_\_ Society.

Sub : Election - Withdrawal of nominations - Reg.

I am to state that, I have filed nomination for the post of President / Vice-President / Treasurer for the elections scheduled to be held to the President / Vice-President / Treasurer of \_\_\_\_\_ society on \_\_\_\_\_.

Now, I wish to withdraw any nomination from the contest and request to accept my withdrawal and delete my name from the list of contestants.

Yours faithfully,

Name :

Admission No. :

Signature :

Witness :

1. Proposer

2. Seconder

**Form XIX**  
**Final list of valid nominations after withdrawal of nominations**  
**(See Rule 22(12)(b))**

Name of the Society : \_\_\_\_\_ Date : \_\_\_\_\_

For the post of President / Vice-President / Treasurer :

Sl.No.	Admission No.	Name of the Candidate	Symbol Allotted
1	2	3	4

\_\_\_\_\_  
Election Officer

**Form XX**  
**(See Rule 22(12)(b))**  
**Proforma ballot paper**

For the post of President / Vice - President / Treasurer

<u>Sl.No.</u>	<u>Name</u>	<u>Symbol</u>
1.		
2.		
3.		
4.		
5.		

\_\_\_\_\_  
Election Officer

**Form XXI**  
**List of Successful Candidates**  
**(See Rule 22(12)(b))**

Name of the Society : \_\_\_\_\_ Date : \_\_\_\_\_

For the post of President / Vice-President / Treasurer :

Sl.No.	Admn. No.	Name of the Candidate	No. of valid votes secured
1	2	3	4

\_\_\_\_\_  
Total No. of Valid Votes

Total No. of rejected Votes.

I do hereby declare that the following candidate has been duly elected as President / Vice-President / Treasurer of the Society.

\_\_\_\_\_

Sl.No.	Name of the Candidates	No. of Votes secured
1	2	3

Signature of the Election Officer

**FORM- I**

[See Rule 16 (1)]

[Added by G.O.Ms.No. 2804, F & A (Leg.), dt. 24-11-1965]

I ..... son of/wife of ..... member No. .... of the ..... do hereby nominate the following as the person/ persons to whom my share capital or interest in the capital of ..... society shall be transferred or the value thereof or any other sum payable to me shall be paid in the event of my death.

Name of the nominee	Age on the date of nomination	Relationship to the member	Occupation	Address
1	2	3	4	5

- 1.
- 2.
- 3.

In witness whereof, my hand, this ..... day of ..... one thousand nine hundred and .....

Signature of witness :  
Address

*Signature of the shareholder.*

Signature of witness :  
Address :

**<sup>1</sup>[FROM - J**

<sup>2</sup>[(See Rule 12-A)]

**Application for Membership**

(To be presented by the applicant in person or by Registered Post)

To,

The ..... Society/

Bank .....through the Registrar.

**Taluk**

1. Name of the applicant
2. Father's name
3. Age -
4. Residence -
5. Occupation -
6. Whether holding lands within the area of operation of the Society/Bank specify.
 

<u>As owner</u>	<u>As tenant</u>
Dry Wet	Dry Wet
Hectares	Hectares
7. Whether adjudicated as an insolvent or undischarged insolvent.
8. Whether sentenced for any offence involving moral turpitude and if so, date of the sentence.
9. Whether a paid employee of the society or of its financing bank.
10. In the case of answers to items 8 and 9 being in the affirmative, are you protected by sub-section (2) of Section 21.
11. Whether expelled from membership of the society. If so the date of expulsion.
12. Whether carrying on business of money lending i.e., lending money or small advances in cash or kind or has issued loans or made advances exceeding Rs. 100 (to each individual) to 5 individuals in the year.
13. Do you satisfy requirements to become a member as per the bye-laws of the society.

1. Added by G.O.Ms.No. 476, F&A, (Co-op.IV), dt. 24.5.1976.

2. Subs. by G.O.Ms.No. 668, F&A (Co-op.IV), dt. 29-7-1976.

14. Whether tendered amount as specified by the Registrar. Rs. Ps.
- (a) Minimum share capital
- (b) Entrance Fee
15. Mode of tender of payment:
- (a) If by Money Order specify the M.O. Receipt No. Date and Name of the Post Office.
- (b) If paid into Co-operative Central Bank or its Branch specify the Bank Challan No. Date and Name the Co-operative Central Bank or it's Branch.

**Note (1) :-** No application shall be forwarded to the society/Bank unless the applicant has paid the specified share capital and the entrance fees and enclosed the M.O. Receipt, or the Bank Challan.

**Note (2) :-** No Co-operative Bank or a branch thereof shall refuse to receive the payment of amount tendered by any person and shall endorse the Challan No. date of receipt and amount received on the application form presented by the applicant duplicate.

I hereby declare that the facts stated above are true to the best of my knowledge and belief

*Signature or L.H.T. Impression  
of the applicant.*

1. Signature  
Name  
Father's name  
Age  
Residence
2. Signature  
Name  
Father's Name  
Age  
Residence
- Date of receipt in the Office

Endorsement of the Registrars  
Application whether in order, if

not specify the defect and  
indicate date of return.

**ACKNOWLEDGMENT**

(Prescribed under Rule 12-A of the Andhra Pradesh Co-operative Societies Rules to be issued by the Society).

Received the application of Sri ..... resident of ..... for admission as a member of the ..... Society through the Registrar ..... along with the M.O. Receipt/Bank Challan for Rs. ....

*Registrar.*

**RECEIPT**

Original	Duplicate
Receipt No.      Date	Receipt No.      Date
This is to acknowledge the receipt of an application in duplicate presented by Sri ..... son of.....aged..... resident of ..... for admission into the society.	This is acknowledge the receipt application in duplicate presented by Sri..... son of..... aged..... resident of ..... for admission into the society.

Registrar

1[ Registrar

**FORM - K**

[See Rule 65]

**Form of authorisation issued by the Registrar under Section 117 of the Andhra Pradesh Co-operative Societies Act, 1964 (Act 7 of 1964).**

Whereas a committee/person/persons of the Society No. .... in the ..... district has/have been elected/nominated, under the Section 15-A/and that the committee consist of the following persons namely .....

Whereas the following person/persons has/have been appointed under Section 32 (7) of the Andhra Pradesh Co-operative Societies Act, 1964 (Act 7 of 1964) to manage the affairs of the ..... Society, No. .... in the ..... district in Registrar's Proceedings No. .... date .... with effect from .....

Whereas the committee of the ..... Society, No. .... in the ..... district ..... has been superseded under Section 34 of the Andhra Pradesh Co-

1. Subs. by G.O.Ms.No. 668, F&A (Co-op. IV), Dt. 29-7-1976.
2. Form 'G' was subs. as 'J' day G.O.Ms.No. 57, F&A, (Co-op.IV) Dept., dt. 6-2-79. The letter and word Form J was subs. as 'K' in G.O.Ms.No. 313 F&A, (Co-op.IV), dt. 15.6.1979.

operative Societies Act, 1964 (Act 7 of 1964) in Registrar's Proceedings No. .... dated ..... with effect from ..... and that Sri ..... Special Officer/the managing committee consisting of the following persons has been appointed in these proceedings:—

Whereas the ..... Society, No. .... in the ..... district has been ordered to be wound up under Section 64 of the Andhra Pradesh Co-operative Societies Act, 1964 (Act 7 of 1964) in Registrar's Proceedings No. .... dated ..... with effect from ..... and that Sri ..... has been appointed as the liquidator ;

And whereas the new committee/person/Special Officer/managing committee/liquidator has applied that it is resisted in or prevented from, obtaining possession of the records and properties of the societies ;

And whereas I am satisfied that such resistance or prevention continues to exist.

2. Now, therefore, I ..... in exercise of the powers conferred by Section 117 of the Andhra Pradesh Co-operative Societies Act, 1964 hereby authorise Sri ..... to enter, search or break-open any premises where such records and properties of the society are kept and to seize any such records and properties of the society and cause delivery of the said records and properties to the new committee/elected/nominated person persons appointed under Section 15-A, person/ persons appointed under Section 32, Special Officer/Managing Committee appointed under Section 34, liquidator appointed under Section 65.

**[FORM - L**

[See Rule 45 (2)]

This is to certify that the ..... Co-operative Society Limited, Register No. .... Village/Town ..... district ..... has maintained all the books of accounts as prescribed for year 20 ..... to 20 ..... and closed the cash book with all adjustment entries and the ledgers duly reconciled as on ..... The Society shall also prepare and submit their Final statements of receipts and payments, profit and loss and Balance Sheet by the time the Audit is taken for the year 20 ..... .

Given under the seal of the society on ..... 20 ...

Seal of the society President

**FORM -M**  
(See Rule 3G-B)

**STATEMENT SHOWING THE ELIGIBILITY OF  
ESTABLISHMENT CHARGES**

**(a) GROSS PROFIT FOR PREVIOUS YEAR**

A	Rs.	B.	Rs.
1. Interest Received(Arrear)		1. Interest Paid (Arrear)	
2. Interest Received(Current)		2. Interest Paid (Current)	
3. Interest Received on investment		3. Interest Payable Arrear	
4. Gross Profit on Trading Account		4. Interest Payable Current	
5. Miscellaneous Income		5. Interest on deposits paid	
		6. Interest on deposits payable	
	TOTAL		TOTAL

Gross Profit = A-B.

30 % of Gross Profit.

**(b) WORKING CAPITAL OF PREVIOUS YEAR**

I.	Rs.
1. Members Share Capital	
2. Deposits of Members	
3. Borrowint from Financing institution/agencies	
4. Un-invested reserves	
TOTAL	
II. 2 % on Working Capital : Rs.	

- i. Actual expenditure on pay and allowances of current year.
- ii. Eligible expenditure on 30% of gross profit or 2% of Working Capital, whichever is less.
- iii. If the actual expenditure exceeding the eligibility under column No. ii the difference is to be taken to the "Due to" Head keeping the amount under objection to cffect recovery and also reserve is to be created.

Section Officer









