

## KARNATAKA ACT NO.03 OF 2013

(First published in the Karnataka Gazette Extra-ordinary on the  
Eleventh day of January , 2013)

### THE KARNATAKA CO-OPERATIVE SOCIETIES (AMENDMENT) ACT, 2012

(Received the assent of the Governor on the tenth day of January, 2013)

An Act further to amend the Karnataka Cooperative Societies Act, 1959.

Whereas it is expedient further to amend the Karnataka Cooperative Societies Act, 1959 (Karnataka Act, No 11 of 1959) for the purposes hereinafter appearing.

Be it enacted by the Karnataka State Legislature in the sixty third year of the Republic of India as follows:-

**1. Short title and commencement.**-This Act may be called the Karnataka Cooperative Societies (Amendment) Act, 2012.

(2) It shall come into force on such date as the State Government may, by notification, appoint.

**2. Amendment of the long title and preamble.**- In the Karnataka Cooperative Societies Act, 1959 (Karnataka Act 11 of 1959) (hereinafter referred to as the Principal Act), in the long title and in the preamble at the two places, for the words, "to consolidate and amend the laws relating to cooperative societies", the words, "to promote voluntary formation, autonomous functioning, democratic control and professional management of cooperative societies" shall be substituted.

**3. Amendment of section-2.**- In section 2 of the Principal Act,-

(i) existing clauses (a-1) and (a-1-1) shall be renumbered as (a-1-1) and (a-1-2) respectively.

(ii) after clause (a), the following shall be inserted, namely:-

“(a-1) **‘Area of operation’** means jurisdictional area from which the membership is drawn or as specified in the bye-laws of the society”.

(iii) for clause (a-2-1), the following shall be substituted, namely:-

“(a-2-1) **“Backward Classes”** means such class or classes of citizens as may be classified as Backward Classes and notified by the Government from time to time.”

(iv) for clause (b), the following shall be substituted, namely:-

“(b) **‘Board’** means the board of directors or the governing body of a cooperative society, by whatever name called, to which the direction and control of the management of the affairs of the society is entrusted to.”

(v) after clause (b-4), the following shall be inserted, namely:-

“(b-5), **‘Cooperative Election Commission’** means the ‘cooperative election commission constituted under section 39AA;

- (vi) in clause (d-1), the words “ or year” shall be omitted;
- (vii) after clause (e-2), the following shall be inserted, namely:-
  - “(e-2-1) **‘Director’** means a member of the board duly elected or nominated or co-opted in accordance with this Act, the rule and the bye-laws made under this Act”;
- (viii) after clause (e-5), the following shall be inserted, namely:-
  - “(e-6), **‘General Body’** means,-
    - (i) in relation to a primary cooperative society, all the members of that cooperative society;
    - (ii) in relation to a secondary cooperative society, all the delegates of the member cooperative societies and the individual members; and
    - (iii) in relation to a federal cooperative society, all the delegates of the member cooperative societies.
  - (e-7), **‘General Meeting’** means a meeting of the general body called and conducted in accordance with the provisions of this Act, the rules and the bye-laws made under this Act.”
- (ix) in clause (g), after the word “vice- chairperson”, the words, “elected secretary or treasurer” shall be inserted.
- (x) after clause (i-1), the following shall be inserted, namely:-
  - “(i-2) **‘Representative’** means a person elected by a group of individual members of a primary cooperative society or a secondary cooperative society to represent them and to participate on their behalf in the representative general body meeting of the society in accordance with Act, the rules and the bye-laws made under this Act;
  - (i-3) **‘Representative General Body’** means all the representatives of a primary cooperative society or a secondary cooperative society;
  - (i-4) **‘Representative General Meeting’** means a meeting of the representatives called and conducted in accordance with provisions of this Act or the rules and the bye-laws of the primary cooperative society or the secondary cooperative society”.
- (xi) after clause (J-5), the following clause shall be inserted, namely:-
  - “(J-6)- **‘State Level Cooperative Society’** means a cooperative society whose area of operation extends to the whole of the State.”

**4. Substitution for the word ‘Committee’.-** In the Principal Act, for the word ‘committee’ wherever it occurs, the word ‘board’ shall be substituted.

**5. Insertion of new section 11A.-** After section 11 of the Principal Act, the following shall be inserted, namely:-

**“11A- Bye-laws.-** (1) Every cooperative society shall make its bye-laws in accordance with the provisions of this Act, and the rules made there under.

(2) Except on such specific matters which the Act, or the rules have provided for and which the bye-laws may further regulate on but not contravene, the functioning of every cooperative society shall be regulated by its bye-laws”.

**6. Amendment of section 12.-** In section 12 of the Principal Act,-

(i) for sub-section (1), the following shall be substituted, namely:-

“(1) A cooperative society may amend its bye-laws in conformity with the provisions of this Act, and the rules made there under from time to time.

Provided that every cooperative society shall make amendments to its bye-laws in conformity with the amendments made to this Act or the rules from time to time within ninety days from the date of coming into force of the said amendments.”

(ii) sub-sections (5) and (6) shall be omitted.

**7. Omission of section 14A.-** section 14A of the Principal Act shall be omitted.

**8. Amendment of section 16.-** In section 16 of the Principal Act,-

(i) in sub-section (1) in clause (a), after the words “such cooperative society”, the words, “and is residing in the area of the operation of the society” shall be inserted;

(ii) in sub section (4), for the words “three months”, the words “two months”, shall be substituted;

(iii) sub-sections (5), (6) and (7) shall be omitted.

**9. Amendment of section 17.-** In section 17 of the Principal Act, in sub-section (1), after clause (d), the following shall be inserted, namely:-

“(e) is not eligible for membership under section 16;

(f) is a paid employee of the society or of its financing bank; or

(g) as such member, has failed to transact, such minimum business; or utilize such minimum services or facilities in a year as may be specified in the byelaws for a continuous period of three years”.

**10. Amendment of section 18A.-** In section 18A of the Principal Act, in clause (a), for sub-clause (iii), the following shall be substituted, namely:-

“(iii) disqualification and cessation”

**11. Insertion of new section 19A.-** After section 19 of the Principal Act, the following shall be inserted, namely:-

**“19A- Access to information.-** Every member of a cooperative society shall have access to the books, information and accounts of the cooperative society kept in regular transaction of its business with such member”.

**12. Amendment of section 20.-** In section 20 of the Principal Act,-

- (i) in sub-section (1),
  - (a) for the words “no member”, the words “no member, no representative or no delegate” shall be substituted;
  - (b) and the proviso thereunder shall be omitted.
- (ii) in sub-section (2), after clause (a-iii) and the proviso thereunder, the following shall be inserted, namely:-
  - “(a-iv) a member, a representative or a delegate who has failed to attend three general meetings out of the last five general meetings;
  - (a-v) a member or a representative who has failed to utilize such minimum services or facilities in a co-operative year as may be specified in the byelaws for three consecutive cooperative years.”
- (iii) in sub-section (2), in clause (b), in sub-clause (iv),-
  - (a) for the words “seventy five percent”, the words “fifty percent”, shall be substituted;
  - (b) in item (a), for the words “seventy five percent”, the words “fifty percent”, shall be substituted;

**13. Amendment of section 21.-** In section 21 of the Principal Act, in sub-section (1),

- (a) after the words “every member”, the words and comma, “every representative,” shall be inserted;
- (b) and the following explanation shall be inserted at the end, namely:-
 

**“Explanation:** For the purposes of section 20 and this section and wherever else it occurs, the word ‘delegate’ means a member of a cooperative society to represent that society in other cooperative societies.”

**14. Amendment of section 26.-** In section 26 of the Principal Act,-

- (i) in sub-section (2), for the words “the Registrar may amend the bye-laws of the cooperative society”, the words “the general body of a cooperative society may amend its byelaws” shall be substituted;
- (ii) for sub-sections (3) and (4), the following shall be substituted; namely:-
 

“(3)- The amendments of the bye-laws made under sub-section (2) shall be sent to the Registrar for approval under section 12.”

**15. Amendment of section 27.-** In section 27 of the Principal Act, in sub-section (1),-

- (i) for the words “thirtieth day of September”, the words “twenty fifth day of September”, shall be substituted;
- (ii) in clause (n), the word “and” at the end shall be omitted;
- (iii) after clause (n), the following shall be inserted, namely:-
  - “(n-1)-review of the use of the services of the society by the members and directors of the society;
  - (n-2)- consideration of the loans and advances made to the directors and their relatives, the defaults, if any, and the action taken for recovery thereof;
  - (n-3)- consideration of the inquiry and inspection reports, if any, and the compliance report of the board on the action taken regarding the rectification of defects and remedying of the irregularities pointed out in the said reports;
  - (n-4)- appointment of auditors;
  - (n-5)- voluntary amalgamation, division, merger, transfer of assets and liabilities;
  - (n-6)- decision on bad debts considered as irrecoverable;
  - (n-7)- review of the remuneration, TA, DA & other allowances paid to the directors including the office-bearers in connection with their duties in that capacity or their attendance at related meetings;
  - (n-8) review of the actual utilization of the reserve and other funds;
  - (n-9) liquidation of the cooperative society; and”
- (iii) the proviso at the end shall be omitted;
- (iv) in sub-section (2), clause (b) shall be omitted;
- (v) after sub-section (3), the following shall be inserted, namely:-

"(4) The quorum for a general meeting shall be as specified in the bye-laws, but shall not be less than twenty percent of the members eligible to vote at the meeting;

Provided that the quorum for a representative general meeting shall not be less than sixty percent of the representatives eligible to vote at the meeting;"

**16. Insertion of section 27A and 27B.-** After section 27 of the Principal Act, the following shall be inserted, namely:-

**“27A Participation of members in the management.-** Every member of a cooperative society shall participate in the management of the society,-

- (a) by attending three out of the last five annual general meetings;

- (b) by utilizing every year such minimum services or facilities offered by the society as may be specified in the byelaws.

Provided that if a member fails to utilize the minimum services or fails to attend the minimum meetings, he shall lose his right to vote, for a period of three years.

**27B. Returns to be filed with the Registrar.-** The board of every cooperative society shall file the following returns, within six months of the close of every cooperative year with the Registrar,-

- (a) annual report of activities of the society;
- (b) audited statements of accounts;
- (c) plan for disposal of surplus as approved by the general body;
- (d) list of amendments to the bye laws as approved by the general body of the cooperative society.
- (e) declaration regarding the date of holding of the general body meeting and conduct of elections when due;
- (f) misappropriation or embezzlement of funds, if any, and action taken against the persons responsible for the same including the civil, criminal and disciplinary actions; and
- (g) any other information required by the Registrar in pursuance of any of the provisions of the Act,”.

**17. Amendment of section 28.-** In section 28 of the Principal Act, in sub section (1), the words, “fifty members or”, and the words and comma, “whichever is less,” shall be omitted.

**18. Amendment of section 28A.-** In section 28A of the Principal Act,- in sub-section (2),-

- (a) the words “Government nominees and” shall be omitted;
- (b) for clause (i), the following shall be substituted, namely:-
  - “(i) in case of a primary society and a secondary society whose area of operation extends to,-
    - (a) a part of taluk, eleven members;
    - (b) whole of taluk, thirteen members;
    - (c) beyond a taluk but not beyond a district, fifteen members;

Provided also that in case of Urban Cooperative Banks having area of operation not beyond a district the maximum number shall not exceed seventeen members.

- (d) beyond a district, nineteen members;”
- (c) in clause (ii), for the word “excluding”, the word “including” shall be substituted;
- (d) clause (iii) shall be omitted;

(ii) in sub-section (3),-

- (a) for the words 'every primary society', the words 'every cooperative society' shall be substituted;
- (b) in clause (ii), for the words "one seat", the words "two seats" shall be substituted;
- (c) after clause (ii), for the proviso, the following shall be substituted, namely:-  
 "(iii) one seats to be filled by election, in favour of the persons belonging to backward classes.

Provided that such reservation shall be made on the board of every cooperative society consisting of individuals as members and having members from such class or category of persons".

(iii) in sub-section (4),-

- (a) for the words "five cooperative years", the words "five years from the date of election" shall be substituted.
- (b) the explanation after the first proviso shall be omitted.
- (c) in the second and third provisos, for the words "five cooperative years", the words "five years from the date of election" shall be substituted.

(iv) after sub-section (4), the following shall be inserted, namely:-

"(4A)- The board of a cooperative society, may co-opt persons having experience in the field of banking, management, finance or specialization in any other field relating to the objects and activities undertaken by the cooperative society to be the members of the board.

Provided that the number of such co-opted members shall not exceed two in addition to the maximum number specified in sub-section (2).

Provided further that such co-opted members shall not have a right to vote in any election of the cooperative society in their capacity as such members or to be eligible for being elected as office-bearers of the board.

Provided also that the functional directors not exceeding three, if any, shall also be the members of the board in accordance with the byelaws and such members shall be excluded for the purpose of counting the total number of directors specified in sub-section (2).

Provided also that the professional directors and functional directors shall not form a part of the quorum for the conduct of the board meetings.

(4B)-(1) The State Government may nominate one person as its representative on the board of every assisted society other than the board of a primary agricultural credit cooperative society.

Provided that the person so nominated as a member of a cooperative society shall hold office as such member during the pleasure of the State Government.

(2) Where an officer of Government is nominated under clause (1), such officer may, if unable to be present himself at any meeting of the board, depute a subordinate officer to the meeting as his representative and such subordinate officer shall be deemed to be a person nominated as a representative of the State Government for the purpose of such meeting.”

**19. Amendment of section 28B.-** In section 28B of the Principal Act, for sub-section (1), the following shall be substituted, namely-

“ (1) The election of a board shall be conducted before the expiry of the term of the board so as to ensure that the newly elected members of the board assume office immediately on the expiry of the term of office of the members of the outgoing board”.

**20. Insertion of section 28C.-** After section 28B of the Principal Act, the following shall be inserted, namely:-

**“28C- Powers and functions of the board.-**(1) The board of a cooperative society may exercise all such powers and perform all such duties as may be necessary or expedient for the purpose of carrying out its functions under the Act,, the rules and the bye-laws.

(2) Without prejudice to the generality of the foregoing powers, such powers and duties shall include the following:-

- (a) to admit members;
- (b) to dispose of applications for allotment of shares;
- (c) to mobilize resources and invest funds;
- (d) to provide services or facilities including sanction of loans and advances to the members and determination of the security to be taken;
- (e) to elect the chairperson and such other office-bearers;
- (f) to acquire or dispose of moveable and immoveable property required for achieving the objectives of the society;
- (g) to determine the cadre strength of the establishment of the society, qualifications, pay scales and other allowances admissible to each employee and other conditions of service of the employees;
- (h) to appoint the chief executive and such other employees as are not required to be appointed by the chief executive of the society subject to the provisions of section 29G;
- (i) to lay down conduct and discipline rules, initiate disciplinary action against the delinquent employees and impose penalties proportionate to the gravity of the charges subject to the provisions of the bye-laws of the society;
- (j) to set up specific goals to be achieved towards the organizational objectives;
- (k) to approve the expenditure necessary for the business of the society subject to the provisions of annual budget;

- (l) to cause the audit of accounts of the society within the specified time limit and obtain the audit report within the said period;
- (m) to consider the audit report, take action for rectification of the defects and remedying the irregularities pointed out, if any, in the audit, cause compliance report and place the reports before the general body;
- (n) to consider the enquiry or inspection reports, if any, take action for rectification of the irregularities pointed out, if any, in the enquiry or inspection, cause compliance report and place the reports before the general body;
- (o) to place the annual report, annual financial statements, annual plan and budget for the approval of the general body;
- (p) to institute, defend or compromise legal proceedings;
- (q) to initiate civil, criminal and disciplinary action, as the case may be, against any person who may have incurred civil or criminal liability by way of misappropriation or causing loss to the society;
- (r) to convene annual general meeting in time and special general meetings whenever necessary and on requisition;
- (s) to frame regulations necessary for the proper and effective functioning of the society;
- (t) to take such other measures or to do such other acts as may be required under this Act, the rules or as may be specified in the byelaws or as may be delegated by the general body.

**21. Omission of section 29.-** section 29 of the Principal Act, shall be omitted.

**22. Amendment of section 29C.-** In section 29C of the Principal Act,-

- (i) In sub section (1),-
  - (a) In clause (c), the words “or any of his near relation” and the proviso at the end shall be omitted;
  - (b) In clause (f), in the explanation, the words “and clause (c)” shall be omitted.
  - (c) In clause (o), in sub clause (i), for the word , “member”, the word, “director” shall be substituted.
  - (d) after clause (o), the following shall be inserted, namely:-
 

“(p) he has absented himself for three consecutive meetings of the board of such society , without leave of absence.”
- (ii) after sub-section (2), the following shall be inserted, namely:-
 

“(3) If the board of a cooperative society fails,-

  - (a) to assist the cooperative Election Commission for conducting elections as per section 39A and section 29F; or

- (b) to call the annual general meeting under section 27 or special general meeting when required under section 28; or
- (c) to present the audited accounts and annual report in the annual general meeting,

every member of such defaulting board shall be disqualified for being elected or appointed or continued as a member of the board of the society for a period of five years from the date of the order of disqualification”.

(iii) after sub-section (9), the following shall be inserted, namely:-

“(10) No director of a cooperative society shall be eligible for being elected or appointed or continued as a delegate of another society, if he suffers from any disqualification mentioned in sub-section (1). The provisions of sub-section (8) shall, mutatis-mutandis, apply.

(11) No member of a cooperative society shall be eligible for being elected or appointed or continued as a representative, if he suffers from any disqualification mentioned in sub-section (1) other than clauses (m) and (n) thereof. The provisions of sub-section (8) shall, mutatis-mutandis, apply”.

**23. Amendment of section 29E.-** In section 29E of the Principal Act, the following proviso shall be inserted at the end, namely:-

“Provided that the cooperative election commission shall conduct the election to fill up any vacancy in the office of the director of the board if the remaining term of office of the board is more than half of its original term.

Provided further that the board may fill up a casual vacancy on the board by nomination out of the same class of members in respect of which the casual vacancy has arisen, if the remaining term of office of the board is less than half of its original term”.

**24. Amendment of section 29 F.-** In section 29F of the Principal Act,-

(i) for sub-sections (4) the following shall be substituted, namely:-

“(4) The term of office of the office-bearers of a cooperative society shall be five years from the date of election and shall be co-terminus with the term of the board.

(5) The Cooperative Election Commission shall conduct elections to the board and also to the office of President or Chair person, Vice President or Vice-Chairperson and such other office-bearers as are required to be elected as per the bye-laws of the cooperative society within fifteen days from the date of constitution or deemed constitution of the board after a general election.

(6) The cooperative election commission shall conduct elections within sixty days from the date it being notified about the occurrence of any casual vacancy in the office of a director or any office bearer of a co-operative society to fill up such casual vacancy”.

(ii) sub sections (5), (6), (7) and (8) shall be omitted.

**25. Amendment of section 29-G.-** In section 29G of the Principal Act, after sub-section (4B) , the following shall be inserted, namely:-

“(4C) The Chief Executive of a Cooperative Society shall not have a right to vote in the election of the office bearers of the board”.

**26. Substitution of section 30.-** For section 30 of the Principal Act, the following shall be substituted, namely:-

**“30-Supersession or suspension of the board.-** (1) Notwithstanding anything contained in any law of the time being in force, no board of a cooperative society shall be superseded or kept under suspension for a period exceeding six months.

Provided that in case of a cooperative society carrying on the business of banking, the provision of this clause, shall have effect as if for the words “six months”, the words “one year” had been substituted.

(2) If in the opinion of the Registrar, the board of a cooperative society-

- (i) persistently makes default or is negligent in the performance of the duties imposed on it by this Act, or the rules or the bye-laws; or
- (ii) commits any act, which is prejudicial to the interest of the society or its members; or
- (iii) where there is a stalemate in the constitution or functioning of the board; or
- (iv) has serious financial irregularities or frauds which have been detected; or
- (v) fails to provide books and records, necessary information and assistance to the election commission as per the calendar set out by the election commission to conduct elections to the board within the stipulated time and as a result or otherwise, the election commission has failed to conduct elections to the board within the stipulated time;

Registrar, may, after giving the board an opportunity to state objections, if any, by order in writing, supersede or suspend the said board and appoint an administrator to manage the affairs of the society for such period not exceeding six months.

Provided that the board of any cooperative society shall not be superseded or kept under suspension where there is no Government share holding or loan or financial assistance or any guarantee by the Government.

Provided further that the supersession or suspension of the board of a cooperative bank shall be done only after consultation with

the Reserve Bank of India / National Bank as the case may be and the provisions of Banking Regulation Act,, 1949 shall also apply.

(3) The administrator so appointed shall, subject to the control of the Registrar and such instructions as he may give from time to time, exercise all or any of the functions of the board or of any office- bearer of the co-operative society and take such action as he may consider necessary in the interest of the society.

(4) In case of supersession of a board, the administrator shall, before the expiry of his term of office, arrange for the conduct of elections and the constitution of a new board in accordance with this Act,, the rules and the bye-laws of the co-operative society and hand over management to the elected board.

(5) In case of suspension of a board, the Registrar shall reinstate the said board and the administrator shall, on the expiry of his term of office, handover the management to the said board and the period of suspension shall be reckoned while computing the original term of office of the board.

(6) Notwithstanding anything contained in this Act,, the Registrar shall, in the case of a cooperative bank, if so required in writing by the Reserve Bank of India, in public interest or for preventing the affairs of the cooperative bank being conducted in a manner detrimental to the interest of the depositors or for securing the proper management of the cooperative bank, by order in writing, remove the board of that cooperative bank and appoint an administrator to manage the affairs of the cooperative bank for such period not exceeding one year as may be specified by the Reserve Bank of India.

(7) Any officer or employee of the Government or a Cooperative organization may be appointed as administrator of a cooperative society-

- (i) if he is appointed on full time basis, his pay and other allowances shall be borne by the cooperative society. The service rules applicable to him in the department or organization shall continue to govern his service as administrator of the society;
- (ii) if he is appointed as administrator in addition to his regular post, he shall be paid remuneration at the rate of ten percent of his basic pay out of the funds of the cooperative society. The service rules applicable to him in the department or organization shall continue to govern his service as administrator of the society;

**27. Amendment of section 34.-** In section 34 of the Principal Act, in sub-section (1), the following provisos shall be inserted, namely:-

“Provided that the employee shall obtain prior concurrence in writing of the employer agreeing to deduct from his salary or wages such an amount as specified in such agreement.

Provided further that the liability of the employer shall be limited to the extent of deduction of an amount which if included makes the total of all the deductions from the salary not to exceed fifty percent of the salary of the employee.

Provided also that the board of the cooperative society shall determine the amount of loan and the number of instalments to be granted to the employee in such a manner that the total of all deductions including the deduction on account of the loan instalment alongwith interest thereon shall not exceed fifty percent of the salary of the employee”.

**28. Substitution of section 39A.-** For section 39A of the Principal Act, the following shall be substituted, namely:-

**“39A- Conduct of elections.-** (1) Every general election of the members of the board and election of the office-bearers of a cooperative society including any casual vacancy to the extent applicable shall be held subject to the superintendence, direction and control of the Cooperative Election Commission.

(2) The general elections of the members of the boards of the cooperative societies shall be held in four stages as under,-

- (a) the elections in respect of primary cooperative societies shall be held in the first stage;
- (b) in the second stage, the electoral process for holding elections to the secondary societies shall commence fifteen days after the completion of the elections of the primary societies;
- (c) in the third stage, the electoral process for holding election to the federal societies shall commence thirty days after the completion of the elections of the secondary societies; and
- (d) in the fourth stage, the electoral process for holding election to the apex societies shall commence thirty days after the completion of the elections of the federal societies.

Provided that the cooperative election commission may start the preparatory work for the preparation of the electoral rolls for and the conduct of the elections during the last six months prior to the expiry of the term of office of the board of a cooperative society.

(3)Notwithstanding anything contained in this Act,, the rules or the bye-laws of any cooperative society, the elections to the boards and consequent election of the office-bearers which are due during March and April 2013 shall be held;

- (i) before the thirtieth day of September 2013 in respect of the primary cooperative societies;
- (ii) before the thirty first day of October 2013, in respect of the secondary cooperative societies;
- (iii) before the thirtieth day of November 2013 in respect of the federal societies;
- (iv) before the thirty first day of December 2013 in respect of the apex cooperative societies;

Provided that the incumbent boards of all such cooperative societies shall continue to be in their respective offices till the conduct of the elections as above.

**39AA Cooperative Election Commission.**-(1)The State Government shall, by notification in the Official Gazette, constitute a Cooperative Election Commission consisting of a cooperative election commissioner and a secretary.

(2)The cooperative election commission shall be vested with the superintendence, direction and control of the preparation of the electoral rolls for, and the conduct of, all elections to the cooperative societies in the State.

(3)The Governor shall appoint a person who is or has been an officer of the rank of Principal Secretary or Secretary to the State Government to be cooperative election commissioner on the recommendation of the Chief Minister and such cooperative election commissioner shall hold office for a term of five years.

(4)The State Government shall appoint a person who is or has been an officer of the rank of Additional Registrar of Cooperative societies to be the Secretary of the Cooperative Election Commission.

(5)The conditions of service including the salary and allowances of the cooperative election commissioner and the secretary shall be such as may be prescribed.

(6)Subject to the provisions of sub-section(8), the Co-operative Election Commissioner shall be removed from his office only by an order of the Governor on the ground of proved misbehavior or incapacity after an enquiry ordered by the Governor and conducted by a Judge of the High Court, who has on inquiry, reported that the Election Commissioner ought to be removed on such ground.

(7) The Governor may suspend from office, and if deemed necessary prohibit also from attending the office during inquiry, the election commissioner in respect of whom an enquiry has been ordered under sub-section (6) until the Governor has passed orders on receipt of the report of the High Court Judge.

(8) Notwithstanding anything contained in sub-section(6), the Governor may by order remove from office the cooperative election commissioner if the cooperative election commissioner,-

- (a) is adjudged an insolvent; or
- (b) has been convicted of an offence which, in the opinion of the Governor involves moral turpitude; or
- (c) has engaged during his term of office in any paid employment outside the duties of his office; or
- (d) is, in the opinion of the Governor unfit to continue in office by reason of infirmity of mind or body; or
- (e) has acquired such financial or other interest as is likely to affect prejudicially his functions as the election commissioner.

(9) If the Cooperative election commissioner any way, concerned or interested in any contract or agreement made by or on behalf of the Government of Karnataka or participates in any way in the profit thereof or in any benefit or emolument arising there from otherwise than as a member and in common with the other members of an incorporated company, he shall, for the purposes of sub-section(6) be deemed to be guilty of misbehavior.

(10)The cooperative election commission shall in consultation with the State Government determine the number of officers and other employees required for the discharge of the functions conferred on it under sub-section(2) and require the State Government to provide the services of such officers and employees.

(11)The State Government shall, when so requested by the cooperative election commission, make available to the cooperative election commission such staff as may be necessary for the discharge of the functions conferred on the cooperative election commission under sub-section(2).

(12) The salary, allowances, terms and conditions of services of the officers and the employees of the cooperative election commission shall be such as may be prescribed.

(13) Subject to the provisions of this Act, procedure and guidelines for the conduct of election shall be such as may be prescribed.

(14)The cost of preparation of electoral rolls for, and the conduct of the elections shall be met in such manner as may be prescribed.

(15)The board of every cooperative society shall,-

- (a) inform the cooperative election commission about the expiry of its term of office at least six months before the date of expiry of such term;
- (b) furnish such books, records and information as the commission may require as per the calendar prescribed by the Cooperative Election Commission; and

- (c) provide all necessary help, assistance and cooperation for the smooth preparation of electoral rolls for and the conduct of elections.”

**29. Omission of section 53A.-** section 53A of the Principal Act, shall be omitted.

**30. Amendment of section 56.-** In section 56 of the Principal Act, in sub-section (2), for the second proviso, the following shall be substituted, namely:-

“Provided further that no director shall be paid travelling allowance, daily allowance or such other allowances or fees for attending meetings of the board or committees or sub-committees or for performing any other functions as a director at a rate higher than the maximum rate specified in the byelaws for the purpose, having regard to the financial position and profitability of the society”.

**31. Insertion of new section 57A.-** After section 57 of the Principal Act,, the following shall be inserted, namely:-

**“57A- Cooperative Education and Training.-**(1) The cooperative education fund shall be utilized for the purpose of promotion of the cooperative movement in the State and for providing education to the members, directors and cooperators of the cooperative societies and the general public and training to the employees of the cooperative societies.

(2) Every co-operative society shall pay its contribution to the Karnataka State Cooperative Federation within thirty days from the date of its annual general meeting.

(3) All contributions made by the cooperative societies towards co-operative education fund, grants received from the Government of India or the State Government and donations, if any, made by any person shall be credited to the cooperative education fund.

(4) The cooperative education fund shall be maintained and administered by the Karnataka State Cooperative Federation Limited for such programmes and in such manner as may be prescribed.

(5) No expenditure out of the cooperative education fund shall be incurred without the approval of an advisory committee constituted for the purpose as prescribed”.

**32. Amendment of section 58.-** In section 58 of the Principal Act,-

(i) in clause (e),-

(a) the words “or financial institution” shall be omitted.

(b) for the word “Registrar”, the words, “general body of that society till the date of the next annual general body meeting”, shall be substituted.

(ii) the first proviso shall be omitted.

**33. Amendment of section 59.-** In section 59 of the Principal Act, for sub-section (2), the following shall be substituted, namely:-

“(2) Notwithstanding anything contained in sub-section (1), the general body of a cooperative society shall have power to permit the society to borrow from a credit agency subject to such conditions as may be stipulated in the resolution of the general body.

Provided that such resolution is valid till the date of the next annual general meeting”.

**34. Substitution of section 63.-** For section 63, the following shall be substituted, namely:-

**“63 Audit.-** (1) Every Cooperative society shall get its accounts audited at least once in a year before the first of September following the close of the cooperative year by an auditor or an auditing firm appointed by the general body of the cooperative society from a panel of auditors or auditing firms approved by the Director of cooperative audit;

Provided that the Director of co-operative audit shall be the authority competent to prepare and maintain a list of auditors and auditing firms who satisfy the prescribed qualification and experience for undertaking the audit of accounts of co-operative societies in the state.

Provided further that the Director of cooperative audit shall communicate a panel of auditors and auditing firms, not exceeding ten, to every cooperative society within thirty days from the close of the co-operative year.

(2) The general body of every cooperative society shall at its general meeting appoint an auditor or an auditing firm to audit the accounts of the society for the cooperative year in which the general meeting is held.

(3) The manner of preparation of the list of auditors and auditing firms by the Director of co-operative audit and the procedure for giving the panel to each co-operative society shall be such as may be prescribed.

(4) The audit under sub-section (1) of this section or under section 98U or section 98V shall include an examination of overdue debts, if any, the physical verification and valuation of the assets and liabilities, verification of the cash balance and securities, certification of the profits or losses, compliance with the transparency law and other laws applicable to the cooperative societies including the instructions and directives of NABARD or Reserve Bank of India and an examination of the working and the other prescribed particulars of the society.

(5) The auditor or auditing firm shall at all times have access to all the books, accounts, documents, papers, securities, cash and other properties belonging to the society or in the custody of any member of the

board or the office-bearer or the chief executive or any other employee of the society and may summon any person in possession or responsible for the custody of any such books, accounts, documents, papers, securities, cash or other properties to produce the same at the registered office of the society or any branch thereof or at any public office at the headquarters of the society.

(6) Every person who is, or has at any time been, an officer or employee of the society and every member and past member of the society shall furnish such information in regard to the transactions and working of the society as the Auditor or Auditing firms approved by the Director of Cooperative Audit may require.

(7) The board of every cooperative society shall ensure that the annual financial statements like the receipts and payments or income and expenditure, profit and loss and the balance sheet along with such schedules and other statements as may be prescribed as at the end of a cooperative year are prepared and presented for audit before the auditor or auditing firm within thirty days of the closure of that cooperative year.

(8) The Auditor or Auditing firm shall conduct and complete the audit of accounts as provided for in this Act, or the rules and send copies of the audit report and communicate the results of audit to the cooperative society, the Registrar, the Director of co-operative audit and to the financing bank or credit agency, and if the society is affiliated to any other cooperative society, to such cooperative society, as early as possible but within the first day of September every year.

(9) The auditor or auditing firm shall have right to receive all notices and every communication relating to the general meeting of a cooperative society and, at the cost of the cooperative society, shall be entitled to attend such meeting and to be heard at the general body meeting, in respect of all or any part of the business with which he is concerned as auditor or auditing firm.

(10) If the result of the audit held under sub-section(1) discloses any defects in the working of the society, the board shall take steps to rectify the defects and remedy the irregularities pointed out in the audit report and place the audit report along with the action taken report before the general meeting to be held before the twenty-fifth day of the September every year and explain therein the said defects or the irregularities. The board shall continue to take steps for rectification of all the defects and remedying of all the irregularities in the audit report and appraise the general meetings every year till all the defects are rectified and the irregularities are remedied. The board shall send report of action taken to the Registrar and Director of Co-operative Audit within thirty days from the date of the general meeting.

(11) The Director of Co-operative Audit shall submit the audit reports of an Apex cooperative society to the State Government annually for being laid before the legislature in the manner prescribed.

(12) If it appears to the general body of a co-operative society that there is a prima-facie case of fraud or misappropriation or embezzlement of funds not detected or properly examined by the auditor during the regular audit or misclassification of accounts, the general body may resolve to provide for a re-audit of any account of the society with a view to truly reflect the financial position of the society and the provisions of the Act, and the rules applicable to the audit shall apply to such re-audit;

(13) If it appears to the State Government on an application by a cooperative society or otherwise that it is necessary or expedient to re-audit the accounts of a society, the State Government may, by an order provide for such re-audit and the provisions of the Act, and the rules applicable to the audit shall also apply to such re-audit.

Provided that such re-audit shall be ordered only when there is a prima-facie case of fraud or mis-appropriation or embezzlement of funds not detected or properly examined by the auditor or auditing firms during regular audit or misclassification of accounts or for any other valid reasons with a view to truly reflect the financial position of the society.

(14) Without prejudice to the provisions of sub- sections (5) and (6), the auditor shall inquire;

- (a) Whether loans and advances made by the co-operative society on the basis of security have been properly secured and whether terms on which they have been made are not prejudicial to the interests of the co-operative society or its members;
- (b) Whether transactions of the co-operative society which are represented merely by book entries are not prejudicial to the interests of the co-operative society;
- (c) Whether personal expenses have been charged to revenue account;
- (d) Where it is stated in the books and papers of the co-operative society that any shares have been allotted for cash, whether cash has actually been received in respect of such allotment, and if no cash has actually been so received, whether the position as stated in the account books and the balance sheet is correct, regular and not misleading; and
- (e) Whether any special issue or subject matter referred to for enquiry by the Reserve Bank or National Bank has been duly enquired into and report thereof is submitted to the Reserve Bank or National Bank as the case may be.

(15) The auditor shall make a report to the cooperative society on the accounts examined by him and on every balance sheet and profit and loss

account and on every other document required to be part of or annexed to the balance sheet or profit and loss account. The report shall state whether, in his opinion and to the best of his information and according to the explanations given to him, the said accounts give the information required by this Act, in the manner so required and give a true and fair view,-

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

(16) The auditor's report shall also,-

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

(17) The audit report shall have,-

- (a) all particulars of the defects or the irregularities observed in audit and in case of financial irregularities and misappropriation or embezzlement of funds or fraud, the auditor/auditing firm shall investigate and report the modus operandi, the entrustment, amount involved, and fix the responsibility for such misappropriation or embezzlement of funds or fraud, on the members of the board or the employees of the society or any other person as the case may be with all necessary evidence.
- (b) accounting irregularities and their implications on the financial statements to be indicated in detail in the report with the corresponding effects on the profit and loss.
- (c) the functioning of the general body, board and sub-committees of the Co-operative Society to be checked and any irregularities or violations observed reported duly fixing the responsibilities for such irregularities or violations.
- (d) all schedules and other statements as may be prescribed.

(18) Where any of the matters referred to in clauses (a) and (b) of sub-section (14) or in clauses (a) and (b) of sub section (15) or clause (a) to (d) of sub-section (16) is answered in the negative or with a qualifying observation, the auditor's report shall state the reason for the answer.

(19) The remuneration of the auditor or auditing firm of a cooperative society shall be borne by the society and shall be at such rates as may be fixed by general body of the society.

(20) The Director of Cooperative Audit shall maintain a list of cooperative societies districtwise, the list of working societies, the list of societies whose accounts are audited, the list of societies whose accounts are not audited within the prescribed time and the reasons therefor. He shall co-ordinate with the cooperative societies and the auditors or auditing firms and ensure the completion of audit of accounts of all the cooperative societies in time every year.

**Explanation:** For the purpose of this section,- (i) 'Auditor' means an auditor or an officer of the Department of Cooperative Audit who has passed, in addition to the graduation or post graduation degree, Higher Diploma in Cooperative Management / Diploma in Cooperative Audit / General Diploma in Cooperative management and who has completed the period of probation successfully and who has a working knowledge of the kannada language; or a Chartered Accountant within the meaning of the Chartered Accountants Act, 1949 who shall have a fair knowledge of the functioning of the cooperative societies and shall have an experience of at least three years in auditing of which the auditor would like to be included in the panel and chartered accountants shall have working knowledge of the Kannada language.

(ii) 'Auditing firm' means a firm of more than one Chartered Accountant within the meaning of the Chartered Accountants Act, 1949 who or which shall have a fair knowledge of the functioning of the cooperative societies and shall have an experience of at least three years in auditing of which the auditing firm would like to be included in the panel and chartered accountants shall have working knowledge of the Kannada language.

**35. Amendment of section 64.-** In section 64 of the Principal Act,-

(i) after sub-section (2A), the following proviso, shall be inserted, namely:-

"Provided that the State Government shall, on a report made by the Registrar, shall have power to extend the period for holding the enquiry beyond eighteen months if it is satisfied that, there are genuine grounds for the extension."

(ii) in sub-section (3), for clause (b), the following shall be substituted; namely:-

“(b) the inquiry officer may also summon any officer of a financing bank or a credit agency as the case may be or any person having any kind of business relationship with the society or any person who is connected with the functioning of and who has knowledge about the affairs of the society to produce any records or documents, if any, related to the transactions with and working of the society and furnish such information and the explanations, at the registered office or branch of the society or at any public office at the headquarters of the society, as the inquiry officer may require for the purpose of the inquiry.”

(iii) after sub-section (4), the following shall be inserted, namely:-

“(4A) On receipt of the inquiry report and the result of the inquiry from the Registrar, it shall be the responsibility of the board to initiate immediate necessary action for rectification of deficits, if any, therein and place the report before the annual general meeting or a special general meeting convened for the purpose at the earliest.

Provided that the general body of the cooperative society shall not be competent to pass a resolution negating the findings of the inquiry”.

(iv) in sub-section (5), for the words “three months”, the words “forty five days” shall be substituted”.

**36. Amendment of section 65.-** In section 65 Principal Act,-

(i) after sub-section (2), the following shall be inserted, namely:-

“(2A) On receipt of the inspection report and the result of the inspection from the Registrar, it shall be the responsibility of the board to initiate necessary action for rectification of defects, if any, therein and place the report before the annual general meeting or a special general meeting convened for the purpose at the earliest.

Provided that the general body of the cooperative society shall not be competent to pass a resolution negating the findings of the inspection”.

(ii) in sub-section (3),

“(a) for the word “inquiry” wherever it occurs, the word “inspection” shall be substituted.

(b) for the words “three months”, the words “forty five days” shall be substituted.

**37. Amendment of section 68.-** In section 68,-

(i) in sub-section (1),

(a) for the words ‘remedy the defects’, the words “rectify the defects and remedy the irregularities” shall be substituted.

(b) the words “the audit under section 63 or” shall be omitted.

(ii) in sub-section(3), for the words “who shall take action for incorporation of ”, the words “who shall inform the society auditor or auditing firm auditing the accounts of the society for incorporation” shall be substituted.

**38. Amendment of section 69.-** In section 69 of the Principal Act, after sub-section (4), the following proviso, shall be inserted, namely:-

“Provided that the State Government shall, on a report made by the Registrar, may extend the period beyond eighteen months if it is satisfied that, there are genuine/valid grounds for such extension”.

**39. Amendment of section 70.-** In section 70 of the Principal Act,-

(i) in sub-section (1) after the words “cooperative society”, the words “other than a dispute pertaining to the election of the board and election of the office-bearers” shall be inserted;

(ii) in sub-section (2) clause (c) shall be omitted;

(iii) after sub-section (3) the following shall be inserted, namely:-

“(4) All disputes related to the election of the members of the board and the election of President, Vice-President, Chairman, Vice-Chairman or any other office-bearer shall be filed in the jurisdictional Civil Court.

(5) All disputes pending with the Registrar as on the date of the constitution of cooperative election commission shall be disposed of by the Registrar as if this amendment had not been made”.

**40. Amendment of section 71.-** In section 71 of the Principal Act, after sub-section (5), the following proviso, shall be inserted, namely:-

“Provided that the State Government shall, on a report made by the Registrar, may extend the period beyond eighteen months if it is satisfied that, there are genuine/valid grounds for such extension”.

**41. Amendment of section 72.-** In section 72 of the Principal Act,-

(i) in sub-section (1),

(a) for the words “an inquiry”, the words, “an audit has been conducted under section 63 or an inquiry” shall be substituted.

(b) for the words “he may issue an order”, the words “he may, after giving the society an opportunity of making its representation, issue an order” shall be substituted.

(ii) in sub-section (2), in clause (b), for the words, “or has ceased to work”, the words “within a period of six months of the date of its registration or has ceased to function for six months” shall be substituted.

(iii) after sub-section (4), the following shall be inserted, namely:-

“(5) Notwithstanding anything in this section, the Registrar shall make an order for the winding up of a cooperative society, if the general body of the society, by a resolution passed by two thirds majority of the members present and voting in a general meeting decides for the winding up of that society”.

**42. Amendment of Section 98B.-** In section 98B of the Principal Act,, after the words, “over riding effect”, the words, “except the provisions of sections 12, 16, 17, 19A, 20, 27, 27A, 27B, 28, 28A, 29C, 29E, 29F, 29G, 30, 31, 39A, 39AA, 56, 57A, 63, 64, 65, 70, 72, 108 & 109” shall be inserted.

**43. Omission of section 98 P.-** section 98P of the Principal Act, shall be omitted.

**44. Omission of section 98T.-** section 98T of the Principal Act, shall be omitted.

**45. Amendment of section 105A.-** In section 105A of the Principal Act,,(i) in sub-section (1), for the word “Registrar”, the words “general body”, shall be substituted.

(ii) for sub-section (3), the following shall be substituted; namely:-

“(3)The general body of the cooperative society shall, after giving a reasonable opportunity to the person concerned to make his representation, if any, in writing and after considering the reasons for refusal of membership by the board, direct either that the person shall be admitted as a member by the cooperative society or that he need not be admitted by the cooperative society, and in the former case, the board shall give effect to the decision within ten days of the resolution of the general body”.

(iii) sub-section (4) and (5) shall be omitted.

**46. Amendment of section 106.-** In section 106 of the Principal Act,, after sub-section (5), the following proviso, shall be inserted, namely:-

“Provided that the State Government shall, on a report made by the Registrar, may extend the period beyond eighteen months if it is satisfied that, there are genuine/valid grounds for such extension.”

**47. Amendment of section 108.-** In section 108 of the Principal Act, for the words, “an appeal has been made to the State Government under

section 106”, the words “an appeal has been made to the State Government or other authorities under section 106” shall be substituted.

**48. Amendment of section 109.-** In section 109 of the Principal Act, after sub-section(16), the following shall be inserted, namely:-

“(17) The members of the board who fails and the chief executive who fail to submit the accounts and the information required by the auditor as per section 63 within the stipulated time shall be punishable with imprisonment for a term which may extend to six months or with a fine which may extend to five thousand rupees or with both;

(18) Every member of the board who fails and the chief executive who fails to get its accounts for the previous year audited as per section 63 within the stipulated time and present the same before the annual general meeting shall be punishable with imprisonment for a term which may extend to six months or with a fine which may extend to ten thousand rupees or with both;

(19) Every member of the board who and the chief executive who fail to file annual returns with the Registrar as per section 27B shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to five thousand rupees or with both;

(20)Every member of the board which fails and the chief executive who fails to provide necessary books, records and information within time and assist the cooperative election commission for the conduct of elections within the time stipulated under section 39AA shall be punishable with imprisonment for a term of six months or with fine of ten thousand rupees or with both;

(21)Any person who, before, during or after the election of the members of the board or office-bearers, adopts any corrupt practice under section 39C or commits any electoral offences under section 39K shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to ten thousand rupees or with both.”

**49. Amendment of section 113.-** In section 113 of the Principal Act, In sub-section (2) in the proviso, the words “with the previous permission of the Registrar” shall be omitted.

**50. Amendment of section 117.-** In section 117 of the Principal Act,, sub-section (2) shall be omitted.

**51. Amendment of section 118.-** In section 118 of the Principal Act, in sub-sections (1), for clauses (b) and (c), the following shall be substituted, namely:-

“(b) the removal of a member or the removal and disqualification of a director or the removal of a board;

(c) any surcharge application required under section 69 or any dispute required under section 70 to be referred to the Registrar or the recovery of moneys under section 100 or the execution of any award or order referred to the Registrar for execution under section 101;”

**52. Amendment of section 124.-** In section 124 of the principal Act, in the proviso, for the words “issued by certificate of posting”, the following words shall be substituted, namely :-

“published on the notice boards of the society at its registered office and its branches, and,-

(a) sent by bulk posting at places wherever the facility is available; or

(b) sent by E-mail and S.M.S.; or

(c) sent by ordinary post and published in,-

(i) one Kannada news paper having wider circulation at places where the co-operative societies whose area of operation is less than a district, are situated or

(ii) one Kannada newspaper and one English newspaper having wider circulation at places where the co-operative societies, whose area of operation extends to a district and above and to the whole of the state, are situated;”.

**53. Amendment of section 129.-** In section 129 of the Principal Act, in sub-section (2),-

(i) after clause (e), the following shall be inserted, namely:-

“(e-1) right of a member to get information regarding his transaction of business with the society.

(ii) for clause (g), the following shall be substituted; namely:-

“(g) The conditions of service of cooperative election commissioner”;

(iii) for the clause (l), the following shall be substituted; namely:-

“(l) the procedure for conduct of general meetings including representative general meetings and board meetings and requisitioning of a general meeting and board meeting”;

(iv) after clause(l), the following shall be inserted, namely:-

“(l-1) the procedure for the consideration of no confidence against any director”.

(v) in clause (m), the words “the members of the committee and” shall be omitted.

- (vi) in clause (o), for the word “qualification”, the words “qualification, experience and procedure” shall be substituted.
- (vii) after clause (t) the following shall be inserted, namely:-
  - “(t-1) procedure for the maintenance and administration of education fund by the Karnataka State Cooperative Federation;
  - (t-2)- the cost of preparation of the electoral rolls for, and the conduct of, the elections by the election commission”.
- (viii) in clause (y), for the word “Societies” and the remuneration payable to the auditor or auditing firm;” shall be substituted.
- (ix) for clause (ii), the following shall be substituted; namely:-
  - “(ii) Procedure for empanelment of the auditors and auditing firms to be sent to the cooperative societies”.

**54. Power to remove difficulties.**-(1) If any difficulty arises in giving effect to the amendments made by this Act, the State Government may, by order published in the official Gazette, make such provisions not inconsistent with the provisions of the Principal Act, and the Constitution (ninety seventh amendment) Act,, 2011 as appear to it to be necessary or expedient for removing the difficulty.

Provided that no such order shall be made under this section after the expiry of two years from the date of commencement of this Act,-

(2) Every order made under this section shall, as soon as may be, after it is made, be laid before the State Legislature.

By Order and in the name of  
the Governor of Karnataka,

**(G.K. BOREGOWDA)**  
Secretary to Government,  
Department of Parliamentary Affairs  
and Legislation





# ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ

ಅಧಿಕೃತವಾಗಿ ಪ್ರಕಟಿಸಲಾದುದು  
ವಿಶೇಷ ರಾಜ್ಯ ಪತ್ರಿಕೆ

|             |                                                                     |         |
|-------------|---------------------------------------------------------------------|---------|
| ಭಾಗ - IV-A  | ಬೆಂಗಳೂರು, ಬುಧವಾರ, ಜುಲೈ ೧೦, ೨೦೧೩ (ಅಷಾಢ ೧೯, ಶಕ ವರ್ಷ ೧೯೩೫)             | ನಂ. ೮೯೮ |
| Part - IV-A | Bangalore, Wednesday, July 10, 2013 (Ashadha 19, Shaka Varsha 1935) | No. 898 |

## CO-OPERATION SECRETARIAT NOTIFICATION

**No: CO 14 CLM 2013, Bengaluru, dated: 10.07.2013**

Whereas the draft of the Karnataka Cooperative Societies (Amendment) Rules, 2013 was published as required by sub-section (1) of section 129 of the Karnataka Co-operative Societies Act, 1959 (Karnataka Act No. 11 of 1959) in notification No.CO 14 CLM 2013, dated: 20.04.2013 in part IV-A of the Karnataka Gazette dated: 20.04.2013 inviting objections and suggestions from all persons likely to be affected thereby within thirty days from the date of its publication in Official Gazette.

And whereas the said Gazette was made available to public on 20.04.2013.

And whereas objections and suggestions received in this behalf by the State Government, have been considered.

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 129 of the Karnataka Co-operative Societies Act, 1959 (Karnataka Act No. 11 of 1959) the Government of Karnataka hereby makes the following rules, namely:-

### RULES

**1. Title and commencement.-** (1) These rules may be called Karnataka Cooperative Societies (Amendment) Rules, 2013.

(2) They shall come into force from the date of their publication in the Official Gazette.

**2. Substitution of the word "committee":-** In the Karnataka Cooperative Societies Rules, 1960 (hereinafter referred to as the said rules), for the word 'committee' wherever it occurs, the word 'board' shall be substituted.

**3. Amendment of rule 2.-** In rule 2 of the said rules after clause (i), the following shall be inserted, namely:-

"(i-1) 'District Election Officer' means an officer appointed by the cooperative election commission as the district election officer for the district;

(i-2) 'Returning Officer' means any officer of the State Government or a Local Authority appointed as returning officer by the cooperative election commission and includes an Assistant returning officer performing any of the functions of the returning officer".

**4. Amendment of rule 3.-** In rule 3 of the said rules, the existing rule shall be renumbered as rule “3A” and before the said rule so renumbered, the following shall be inserted, namely:-

**“3. Formalities for registration-** (1) A group of persons not less than ten persons intending to form a cooperative society may join together and elect a chief promoter among themselves, and a few promoters to assist him and authorise him to take further steps for registration of the society. Such group of persons shall decide the name and area of operation of the proposed society, adopt the bye-laws of the proposed society and also resolve to authorise the chief promoter to collect the required share capital from the persons intending to become the members of the proposed society.

(2) The chief promoter shall approach the jurisdictional Registrar along with a list of persons who have joined together to form the proposed cooperative society, a copy of the proceedings of the meeting of the said group of persons containing their names, addresses and signatures, two copies of the bye-laws of the proposed society and a copy of the project report to show the proposed society has reasonable chances of success and is going to be a viable organisation.

(3) The Registrar on being satisfied that, the proposed society has reasonable chances of success and is going to be economically viable may permit the chief promoter to collect such amount of share capital from such number of persons intending to become the members of the proposed society within such period as he may specify.

(4) After getting permission from the Registrar, the chief promoter shall get a few receipts book printed in the name of the proposed society and collect the share capital from the persons intending to become the members of the proposed society. He shall issue receipts to the proposed members for the amount collected with his signature under his name and designation. The money so collected shall be deposited within seven days from the date of collection, in an account opened by the chief promoter in the name of proposed society, in a scheduled or a cooperative bank.. He shall maintain a cash book, receipt book, voucher book and other accounts for the money collected and remitted to the bank. However, he shall be competent to retain such money as may be necessary and sufficient to incur incidental expenses like printing, stationery, typing, postage, etc.,

(5) After collecting the share capital to the extent permitted by the Registrar from the specified number of persons, the chief promoter shall convene a meeting of the promoters of the proposed society and place the details of the particulars of receipts and expenditure incurred and the names of the proposed members from whom share capital is collected. After getting a resolution passed in the promoters meeting, he shall submit a proposal to the Registrar for the registration of the society in the prescribed application along with five copies of the bye-laws of the proposed society and the list of proposed members with their names and addresses. If there is any change in the promoters list, it can be ratified by the registering authority. The application shall be signed by each one of the applicants who is an individual and by a person duly authorised on behalf of any cooperative society which is an applicant and shall be accompanied by the prescribed fee."

**5. Amendment of rule 5.-** In rule 5 of the said rules, in sub-rule (1),after clause (q), the following shall be inserted, namely:-

- “(r) the services to be provided to the members;
- (s) the minimum services or facilities which a member shall utilize in a year;
- (t) the minimum number of meetings which a member shall attend during the last five years;

- (u) the obligations, rights and duties of the directors and the members;
- (v) the constitution of the representative general body, the number of representatives, the mode of election of the representatives;
- (w) the powers, functions and duties of the general body;
- (x) the manner of convening general meetings and quorum thereof;
- (y) the manner of convening board meetings, its quorum, venue;
- (z) the frequency and number of board meetings in a year;
- (aa) the travelling allowance, daily allowance or such other allowances or fees admissible to the directors, for attending meetings or for performing any other function as a director or office-bearer;
- (ab) the conditions and restrictions of the Chief Executive;
- (ac) the principal place and other places of the business of a co-operative society;
- (ad) the education and training programmes for the members, the directors and the employees;
- (ae) the filling up of casual vacancy through co-option;
- (af) the submission of returns to the Registrar;
- (ag) the submission of receipts and payments, income and expenditure, profit and loss accounts and the balance sheet as on the end of the co-operative year along with other statements and schedules required for the audit to the auditors;
- (ah) constitution of various funds as required under the Act and Rules.
- (ai) constitution of sub-committees by the board."

**6. Amendment of rule 6.-** In rule 6 of the said rules.-

(a) in sub-rule (2) for the words, "unless notice of the proposed amendment" the words," unless notice of clear fifteen days with the text of the existing bye-law, the text of the proposed amendment and reasons therefor" shall be substituted;

(b) sub-rule (6) shall be omitted.

**7. Amendment of rule 12.-** In rule 12 of the said rules, in sub-rule (1), for the words and figure "or is removed under rule 7", the words and figures "or incurs disqualification and ceases to be a member under section 17" shall be substituted.

**8. Amendment of rule 12A.-** In rule 12A of the said rules, in sub-rule (2), for the words "three thousand", the words, "one thousand", shall be substituted.

**9. Substitution of rule 12B.-** For rule 12B of the said rules, the following shall be substituted, namely:-

**"12B Election for representatives of general body.-** The process of election in a co-operative society having representative general body consists of two phases one, the election of the representatives to the representative general body, known as representative election in the first phase and then the election of directors to the board known as general election in the next phase. The Co-operative Election Commission, shall appoint a Returning Officer for conducting the general election and as many Assistant Returning Officers as are required for conducting representative elections in respect of a co-operative society having representative general body.

**12C. Number of representatives on the representative general body.-**  
(1) Where,-

(i) the area of operation of a cooperative society having representative general body in case of rural area extends to a taluk or in the case of a city

corporation and above to a assembly constituency but less than the State, or

(ii) the number of members exceeds one thousand, the minimum number of representatives to be elected, shall be two hundred and maximum number of representatives shall be one thousand. The number of representatives elected from each area or constituency, shall be as specified in the bye-laws.

(2) Where the area of operation of a cooperative society having representative general body extends to the whole of the State of Karnataka, the minimum number of representatives to be elected shall be two from each Taluka. In respect of a city corporation, there shall be minimum two representatives for each assembly constituency of the city corporation. If the membership in a taluk or an assembly constituency within a City Corporation is less than fifty, such area shall be attached to the neighboring taluk or assembly constituency having least number of members as provided in the bye-laws”.

**10. Amendment of rule 13:-** In rule 13 of the said rules, for sub-rule(2), the following shall be substituted; namely:-

“(2) The bye-laws of such a society may specify the number or proportion of the directors to be elected as members of the board of the society to represent each such group on the board and may specify further that such directors may be elected-

- (a) by all the members of the society, constituting a single electoral college; or
- (b) by different smaller groups of members of the society to which such directors belong, constituting more than one electoral college:

Provided, that the number of directors to be elected from each electoral college at the general election of the board of such co-operative society shall be as nearly as possible in proportion to the number of the members in the respective electoral college.

(3) However, if the bye-laws of a society do not provide for such electoral colleges as specified in sub rule 2(b) when the elections to the board of directors of the society are due, the co-operative election commission is competent to determine such electoral college and notify the same and conduct such elections of the society as per the notification issued”.

**11. Insertion of new rules 13B, 13C, 13D, 13E, and 13F.-** After rule 13 A of the said rules, the following shall be inserted, namely:-

**“13B Co-operative Election Commission (CEC):-** (1) The Co-operative Election Commission may formulate guidelines for preparation of the electoral rolls and for the conduct of elections of all co-operative societies in the state.

(2) Every cooperative society shall furnish such documents and information which the Co-operative Election Commission may require from time to time.

(3) The salary and allowances of the Cooperative Election Commissioner shall be as under-

- (a) if he is in service, he shall continue to draw the pay and allowances applicable as per his service conditions,
- (b) if he is not in service, he shall be paid a salary equal to the salary of a judge of the High Court, after reducing the pension amount from the total emoluments drawn.
- (c) The conditions of service relating to the payment of travelling allowance, house rent allowance, conveyance facilities, sumptuary allowance, medical facilities, leave facilities and such other conditions of service, for the time being, applicable to a judge of a High Court under Chapter IV of the High Court Judges (condition of service) Act 1954 and the Rules made thereunder shall be as far as may be applicable to the Co-operative Election Commissioner. However, he shall also be entitled to get any additional facilities like provision for rent free accommodation, as may be

provided by the co-operative election commission. He shall be competent to sanction his own leave.

(4) The salary and allowances of the Secretary of the Co-operative Election Commission shall be as under-

(a) if he is in service, he shall continue to draw the pay and allowances applicable as per his service conditions.

(b) if he is not in service, he shall be paid a salary drawn with basic pay at the last stage of the pay scale applicable to an Additional Registrar of Co-operative Societies from time to time after reducing the pension amount from the total emoluments drawn.

(c) the conditions of service relating to the payment of travelling allowance, house rent allowance, conveyance allowance, medical allowance and leave facilities as applicable to an Additional Registrar of Co-operative Societies from time to time shall be applicable to the Secretary of the Commission. The Co-operative Election Commissioner shall be competent to sanction leave to the Secretary of the Commission.

(5) The term of office of the Secretary of Cooperative Election Commission, is for a period of three years from the date of assuming office as the Secretary of the Cooperative Election Commission.

(6) The salaries, allowances, retirement benefits and the terms and conditions of service (including conduct, discipline and control) of the officers and other employees of the Co-operative Election commission shall be such as those applicable to the Corresponding category of employees of the State Government.

**13C. Conduct of general elections to board.-** (1) Subject to the Superintendence, control and direction of the Co-operative Election Commission, The District Election Officer of every district, shall co-ordinate and supervise all work in connection with the preparation of the electoral rolls and the conduct of all elections to the cooperative societies whose registered offices are situated within the district. The District Election Officer shall also exercise such powers and perform such other functions pertaining to the said preparation of electoral rolls and the conduct of elections as may be entrusted to him by the Co-operative Election Commission.

(2) The District Election Officer along with the officers and employees of the Government deputed to assist the Co-operative Election Commission shall be deemed to be on deputation to the Co-operative Election Commission from the date of the announcement of the calendar of events of election by the commission until the completion of the process of election and the declaration of the results thereon.

**13D. Preparation of electoral rolls and calendar of events.-** (1) The District Election Officer shall, after due verification, send a consolidated list of all cooperative societies in the district where elections are due at least 120 days before the date of expiry of the term of office of the boards to the Co-operative Election Commission indicating therein the following particulars:-

- (a) the name and address of the society;
- (b) number of elected directors of the board;
- (c) the date of expiry of the term of office of the board;
- (d) the proposed places where the elections are to be held or other particulars as required by the Co-operative Election Commission.

(2) The Co-operative Election Commission shall, on receipt of such reports from the District Election Officer of the district, containing the list of cooperative societies where elections are due, publish the calendar of events for the preparation of electoral rolls and the conduct of elections of the boards of the

cooperative societies in the district indicating the name and address of each society and the date and place of election;

(3) The co-operative election commission shall take steps,-

(a) for publication of draft eligible electoral list, a list of defaulters, a list of members whose repayments will fall due before the date fixed for publication of final electoral roll at least forty five days before the date of general election calling for objections, if any, and calling upon the defaulter members to repay the amounts due to the co-operative societies at least fifteen days before the date of general election.

(b) for publication of final eligible voters list on or before fifteen clear days prior to the date of election

Provided that the draft list of eligible members and delegates with right to vote, the list of defaulters and the list of other members and delegates who are not eligible to vote as also the final list of electoral rolls and the election calendar shall be announced on the notice board of the concerned cooperative society and its branches, if any, the local office of the department of cooperation, website if any of the cooperative society and such other prominent places having access to the members and delegates of the cooperative society.

(4) It shall be the duty of every society to furnish correct information required by the District Election Officer to enable him to prepare the electoral rolls, as directed by the Co-operative Election Commission or the District Election Officer from time to time.

(5) The chief executive of every cooperative society shall prepare (i) a draft list of the eligible members or representatives and delegates with right to vote, (ii) a list of members whose repayments will fall due before the date fixed for publication of final electoral roll (iii) a list of defaulters (iv) a list of other members or representatives and delegates who are not eligible to vote at a general election indicating the reasons for ineligibility memberwise on the basis of entries in the updated membership register specifying,-

(a) the name of the member or representative, the admission number, the name of the parent or husband and the address of such member or representative in the case of an individual member;

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

and submit the said lists to the District Election Officer along with the related books, records and documents and any other information as the District Election Officer may require, at least sixty days before the date of election

(6) The Co-operative Election Commission shall call upon the chief executive of the cooperative society to obtain from the member society, the name of an authorized member of the board of such society as a delegate, together with the resolution of the board of the said society and the specimen signature along with the photograph of the delegate duly attested and bearing the seal of the society and furnish all such information under sub-rule(5)”

(7) The final electoral roll shall consist of the following,-

(a) all the individual members with right to vote in respect of a primary cooperative society; or

(b) all the individual members and the delegates of the members societies with right to vote in respect of a secondary cooperative society; or

(c) all the delegates of the member societies with right to vote in respect of a federal and an apex society.

(8) The copy of such electoral roll in respect of each society shall be kept open for inspection in the office of such society as also in the office of the District Election Officer.

(9) The election calendar of events for general election of directors of the board shall provide for,-

- (a) date of notification inviting nomination;
- (b) last date for receipt of nomination;
- (c) date and time for scrutiny of nomination;
- (d) date and time for publication of list of validly nominated candidates;
- (e) date and time for withdrawal of nomination papers;
- (f) Date and time for publication list of contesting candidates;
- (g) Date and time for allotment of symbols and publication of contesting candidates with symbols;
- (h) Date and time of poll;
- (i) Date and time of counting and declaration of results.

**13E. Returning Officer.-** (1) For every election of the representatives in respect of a Co-operative society having representative general body, or for every general election of the board of every cooperative society or for every election of the office-bearers of every cooperative society or for an election to fill a casual vacancy in the office of a representative or a director or an office-bearer of every co-operative society, the Co-operative Election Commission shall appoint a returning officer and one or more assistant returning officers as may be required.

(2) The following are the functions of the returning officer,-

- (i) Subject to the approval of the Co-operative Election Commission, the returning officer shall prepare and publish the complete time schedule for holding election;
- (ii) The returning officer may, in consultation with the District Election Officer, provide for sufficient number of polling stations in such manner as the CEC may direct.
- (iii) The returning officer appointed under sub-rule **(1)**, shall publish a calendar of events for the purpose of conduct of elections of the directors, at least fifteen clear days before the date of election. The notice of the election under the signature of the returning officer or the assistant returning officer along with the calendar of events shall be sent to all the eligible members in the following modes, namely:-
  - (a) by ordinary post; or
  - (b) by e-mail; or
  - (c) by local delivery under proper receipt; and
  - (d) by publication in the newspaper having wide circulation in the area of operation.
- (iv) The notice of election along with the calendar of events shall also be published on the notice board of the society and its branches, if any, the office of the returning officer and the office of the District Election Officer. The notice of election shall contain the following further information regarding –
  - (a) the number of vacancies to be filled by election;
  - (b) the area or the constituency (specified in the byelaws) from which the directors are to be elected;
  - (c) the qualifications, if any, specified in the Act, rules or the byelaws for being elected as a member of the board;

- (v) The Chief Executive of every cooperative society shall render necessary assistance to the returning officer in this behalf.
- (vi) It shall be the general duty of the returning officer at any election to do the following amongst other acts and things as may be necessary for effectively conducting the election in the manner provided by these rules-
  - (a) issue notice inviting the nominations,
  - (b) receive and scrutinise the nomination papers,
  - (c) allot symbols to the contesting candidates,
  - (d) publish list of candidates eligible to contest,
  - (e) make arrangement for polling station/s
  - (f) make arrangements for despatch of the polling personnel to the polling stations,
  - (g) make arrangement for ballot box,
  - (h) make arrangement for printing of ballot papers,
  - (i) compile results of different polling stations where necessary,
  - (j) declare the result of an election and issue election certificate thereof.
- (vii) The Returning Officer shall receive papers from the polling personnel in connection with the election,
- (viii) The Returning Officer may also take assistance of the Assistant Returning Officers and polling personnel as may be required in the discharge of his duties with the approval of the Co-operative Election Commission;
- (ix) The returning officer shall liaise with the district administration for maintenance of law and order during election of any cooperative society within his jurisdiction;
- (x) The returning officer shall send report or returns to the Co-operative Election Commission, Karnataka as may be directed by the commission from time to time;
- (xi) All the relevant electoral records should be preserved in the custody of the concerned society with proper acknowledgement, but in exceptional cases such documents are required to be kept in the sub-divisional office if the commission or returning officer or assistant returning officer orders to that effect;
- (xii) The returning officer shall keep in his custody all documents which he may receive from the assistant returning officers or which may be prepared by himself in connection with election of any cooperative society within his jurisdiction for such period as may be directed by the Co-operative Election Commission;
- (xiii) The returning officer shall perform such other functions as may be entrusted to him by the Co-operative Election Commission from time to time.

**13F. Appointment of Presiding Officers and Polling Personnel.**-(1) The District Election Officer, shall appoint a presiding officer for each polling station and such polling officer or officers as he thinks necessary.

(2) A polling officer shall, if so directed by the presiding officer, perform all or any of the functions of a presiding officer, under these rules.

(3) If the presiding officer, owing to illness or other unavoidable cause, is obliged to absent himself from the polling station, his functions shall be performed by such polling officer as has been previously authorised by the returning officer to perform such functions during any such absence.

(4) It shall be the general duty of the presiding officer at a polling station to maintain order there at and to see that the poll is fairly taken.

(5) It shall be the duty of the polling officer at a polling station to assist the presiding officer for such station in the performance of his functions.

(6) Every assistant returning officer shall, subject to the control of the returning officer, be competent to perform all or any of the functions of the returning officer as may be assigned to him by the returning officer or by the Co-operative Election Commission.

(7) Under the supervision and control of the returning officers or the assistant returning officers, the presiding officer and the polling officers shall take poll on the day of election and immediately after close of the poll, they shall count the votes cast by the members or representatives/delegates and prepare the reports / returns as may be directed. They shall also submit the documents or materials relating to the election to the concerned returning officer or the assistant returning officer.”

**12. Substitution of rule 14, 14A, 14B, 14C, 14D and 14E.-** For rule 14, 14A, 14B, 14C, 14D and 14E of the said rules, the following shall be substituted, namely:-

**“14. Notification of General Election.-** (1) The District Election Officer shall with the approval of the CEC notify in **Form XI** the intended election referred to in Section 39AA.

(2) The District Election Officer shall in such notification specify.

- (i) the last date for making nominations which shall be the seventh clear day before the date of election.
- (ii) the date for the scrutiny of nominations, which shall be the day immediately following the last date for making nominations.
- (iii) the last date for the withdrawal of candidatures, which shall be the fifth clear day before the date of election.
- (iv) the date on which the poll shall, if necessary, be taken and the hours during which the poll shall be taken; and
- (v) the date before which the election shall be completed.

(3) (a) On the issue of the notification under sub-rule (1), the returning officer shall give a public notice of the intended election in Form XII by displaying it on the notice board in his office and in the office of the cooperative society and at such other places as he deems necessary, inviting nominations for such election.

(b) in the said notice, the returning officer shall specify among other things the last date for receipt of nominations, the place at which nominations are to be delivered, date of scrutiny of nominations, the last date for withdrawal of candidature, the date on which a poll shall, if necessary be taken and the hours of poll and the date before which elections shall be completed which shall conform to the dates notified in that behalf by the District Election Officer under sub-rule (2).

**14A. Presentation of nomination paper.-** (1) On or before the date appointed for making nominations, each candidate shall in person deliver to the returning officer at the place specified in this behalf, a nomination paper duly completed in Form-XIII and signed by the candidate and another member with

right to vote as proposer. Such nomination shall also contain a declaration signed by the candidate expressing his willingness to stand as a candidate for election to the board of the society from a general constituency or a constituency reserved for SCs or STs or Women or Backward Classes.

Provided that no member/delegate shall be a candidate for more than one constituency and that no member/delegate shall propose more than one candidate from the same constituency.

Provided further that a nomination paper filed on behalf of a cooperative society shall be accompanied by a resolution of the board of that society and shall be signed by the candidate himself / herself.

(2) If a,-

- (i) seat is reserved for the backward classes, scheduled castes, or scheduled tribes, a candidate shall not be deemed to be qualified to be chosen to fill that seat unless his nomination paper contains a declaration by him specifying the particular class, caste or tribe of which he is a member and the said class, caste or tribe is a backward class, scheduled caste, or scheduled tribe.
- (ii) seat is reserved for women, the nomination paper shall contain a declaration that the candidate is a woman.

(3) Every such nomination paper shall be accompanied by a receipt of deposit either by way of cash or by way of pay order or demand draft drawn in favour of the cooperative society as specified below:-

- i. in respect of a primary or a secondary society- Rs.2,000/-
- ii. in respect of a federal or an apex society- Rs.5,000/-

Provided that if the candidate belongs to scheduled caste, scheduled tribes, backward classes and women group or constituency, the deposit to be paid by him shall be fifty percent of the amount specified above.

(4) On the presentation of a nomination paper, the returning officer shall satisfy himself that the names and electoral roll numbers of the candidate and his proposer as entered in the nomination paper are the same as those entered in the electoral roll.

(5) The returning officer shall on receiving the nomination paper, enter on the nomination paper its serial number, date and time of receipt and immediately give an acknowledgment for having received the same and shall also inform the candidate of the date, time and place fixed for scrutiny of nominations. The returning officer shall, at the close of the time fixed for the receipt of the nomination papers, prepare and display on the notice board of the society a list of nominations received by him and also on the notice board of his office if need be.

**14B. Scrutiny of Nominations.-** (1) On the date fixed for scrutiny of nominations, the candidates or their proposers, may be present at such time and place as the returning officer may appoint, and the returning officer shall give them all reasonable facilities to examine the nomination papers of all the candidates which have been delivered within the time and in the manner laid down in this rule for satisfying themselves about their correctness, eligibility and completeness.

(2) The returning officer shall then examine the nomination papers and shall decide all objections which may be made to any nomination and may, either on such objection or on his own motion, after such summary enquiry as he thinks necessary, reject any nomination on any of the following grounds, namely:-

- (i) that the candidate either is not qualified or is disqualified for being elected as a director of the board / representative under the provisions of the Act, the rules and the bye-laws;
- (ii) that the signature of the candidate or the proposer on the nomination paper is not genuine.

Provided that the nomination of a candidate shall not be rejected merely on the ground of an incorrect description of his name or of the name of his proposer or of any other particulars in regard to the candidate or his proposer as entered in the electoral roll (list of the members/representatives/delegates) if the identity of the candidate or proposer, as the case may be, is established.

Provided further that the returning officer shall not reject any nomination paper on the ground of any defect which is not of a substantial character.

- (iii) that the nomination paper has been delivered or received after the date and time fixed for the receipt of the nomination.

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

(4) Immediately after all the nomination papers have been scrutinized and decision accepting or rejecting the same have been recorded, the returning officer shall prepare a list containing the names in the alphabetical order in Kannada and addresses as given in the nomination papers of validly nominated candidates in Form XIV that is to say candidates whose nominations have been found valid and affix it on the notice board of his office. A copy of the said list shall also be published on the notice board of the society on the same day.

**14C. Withdrawal of Candidature.-** (1) Any candidate may withdraw his candidature by a notice in writing in **Form XV** signed by him and delivered in person to the returning officer at any time after the presentation of the nomination paper but before 3.00 P.M. on the day following the day on which the nomination papers have been scrutinised.

(2) On receipt of such notice under sub-rule (1), the returning officer shall note thereon the date and time at which it was delivered.

(3) No candidate who has given notice of withdrawal of his candidature under sub-rule (1) shall be allowed to cancel the said notice. A notice of withdrawal of his candidature of a candidate, once given, shall be irrevocable and final.

**14D. Preparation of the list of contesting candidates.-** (1) Immediately after the expiry of the period within which the candidatures may be withdrawn, the returning officer shall prepare and publish in Kannada language a list of contesting candidates, that is to say candidates who are included in the list of validly nominated candidates and who have not withdrawn their candidature within the said period, in **Form-XVI**. A copy of the said list of the contesting candidates shall be published on the notice board of the society on the same day.

Provided that the Co-operative Election Commission may direct that in any election, the list of contesting candidates may be prepared in a language other than Kannada.

(2) The said list shall contain the names in the alphabetical order in Kannada and the addresses as given in the nomination papers of the contesting candidates.

(3) Where a poll becomes necessary, the returning officer shall consider the choice of symbols expressed by the contesting candidates in their nomination papers and shall allot the symbols in accordance with rule 14E.

(4) The allotment of any symbol to a candidate shall be final.

(5) Every candidate or his proposer shall forthwith be informed of the symbol allotted to the candidate and be supplied with a specimen thereof by the returning officer.

**14E. Allotment of symbols.-** (1) A candidate shall choose one of the free symbols other than those symbols which are allotted to recognized political parties in the State.

**Explanation:-** For the purpose of this sub-rule, a recognised political party means every political party recognised by the Election Commission of India as a National Party or as a State Party in the State of Karnataka under the Election Symbols (Reservation and Allotment) Order, 1968.

(2) Where a free symbol has been chosen by only one candidate, the returning officer shall allot that symbol to that candidate and to no one else.

(3) Where the same free symbol is chosen by more than one candidate, the returning officer shall decide by lot to which of those candidates that free symbol shall be allotted and shall allot it to the candidate, to whom the lot falls and to no one else.

(4) The returning officer shall then prepare and publish a list of validly contesting candidates with symbols containing the names arranged in alphabetical order in Kannada in **Form No.XVI**.

**14F. Death of a candidate before the poll.-** (1) If a candidate for election to the board from any area or constituency -

(i) dies at any time after 11 a.m. on the last date for making nomination and his nomination is found valid on scrutiny; or

(ii) whose nomination has been found valid on scrutiny and who has not withdrawn his candidature dies and in either case, a report of his death is received at any time before the publication of the list of contesting candidates; or

(iii) dies as a contesting candidate and a report of his death is received before the commencement of the poll, the Returning Officer shall, upon being satisfied about the fact of the death of the candidate and with the prior approval of the Co-operative Election Commission by order announce an adjournment of the poll to a date to be announced later and send a detailed report of the facts to the Co-operative Election Commission.

Provided that no order for adjourning a poll shall be made in a case referred to in clause (a) except after the scrutiny of all the nominations including the nomination of the deceased candidate.

(2) The Co-operative Election Commission shall, on receipt of a report from the Returning Officer under sub-rule (1), invite fresh nomination for the said poll from the said area or constituency within seven days of issue of such order:

Provided that no person who has given a notice of withdrawal of his candidature before the adjournment of the poll shall be ineligible for being nominated as a candidate for election after such adjournment.

(3) Where a list of contesting candidates had been published before the adjournment of the poll under sub-rule (1), the returning officer shall again prepare and publish a fresh list of validly contesting candidates from that constituency so as to include the name of the candidate who has been validly nominated.

**14G. Procedure in contested and uncontested election.-** (1) If the number of contesting candidates in any area or constituency is more than the number of seats to be filled from that area or constituency, a poll shall be taken.

(2) If the number of such candidates in any constituency is equal to the number of seats to be filled from that area or constituency, the returning officer shall forthwith declare all such candidates to be duly elected to fill these seats in **Form XIX** as may be appropriate.

(3) If the number of such candidates is less than the number of seats to be filled from that constituency or place, the returning officer shall declare all such candidates to be duly elected after withdrawal is over in **Form XIX** as may be appropriate and the District Election Officer shall, with the approval of the Co-operative Election Commission, call upon the society to elect a person or persons to fill the remaining seat or seats. After such election to fill the casual vacancy is over, the returning officer shall forthwith declare all such candidates duly elected to fill those casual vacancy seats in **Form XX**.

**14H. Adjournment of poll in emergencies.**-(1) If at an election, the proceedings at any polling station or at the place fixed for the poll are interrupted or obstructed by any riot or open violence, or if at an election it is not possible to take the poll at any polling station or such place on account of any natural calamity, or any other sufficient cause, the returning officer having jurisdiction over such polling station, or place, shall, with the prior approval of the Co-operative Election Commission, announce an adjournment of the poll from that polling station or place to a date to be announced later, and where the poll is so adjourned by a presiding officer, he shall forthwith inform the returning officer concerned.

Provided that a report or certificate shall be obtained from the police or Tahsildar to the effect that the poll has been interrupted or obstructed by riot or open violence.

(2) Whenever a poll is adjourned under sub-rule (1), the returning officer shall immediately report the circumstances to the CEC, and shall, as soon as may be, with the previous approval of the Co-operative Election Commission, appoint the day on which the poll from that polling station or place shall recommence, and fix the polling station or place at which and the hours during which the poll from that polling station or place shall be taken. The returning officer shall not count the votes cast at such election to the board until such adjourned poll from that polling station or place shall have been completed.

(3) In every such case as aforesaid; the Returning Officer shall announce in such manner as the Co-operative Election Commission may direct the date, place and hours of polling fixed under sub-rule (2).

(4) If the poll at any polling station is adjourned under sub-rule (1), the Returning Officer shall provide the presiding officer of the polling station at which such adjourned poll is held, with the sealed pocket containing the marked copy of the electoral roll and a new ballot box.

(5) The provisions of rules 14 L to 14 O and 14 Q to 14 X shall apply in relation to the conduct of adjourned poll as they apply in relation to the poll before it was so adjourned.

**14I. Fresh poll in the case of destruction, etc., of ballot boxes.**-(1) If at any election,

(i) any ballot box used at a polling station or at a place fixed for the poll is unlawfully taken out of the custody of the Presiding Officer or the Returning Officer, or is accidentally or intentionally destroyed or lost, or is damaged or tampered with, to such an extent, that the result of the poll at that polling station or place cannot be ascertained; or

(ii) any such error or irregularity in procedure as is likely to vitiate the poll is committed at a polling station or at a place fixed for the poll; the

Returning Officer shall forthwith report the matter to the Co-operative Election Commission.

Provided that a report or certificate shall be obtained from the police or Tahsildar to the effect that the polling cannot be continued or counting of votes is rendered impossible.

(2) Thereupon the Co-operative Election Commission shall, after taking all material circumstances into account, either-

- (i) declare the poll at that polling station or place to be void, appoint a day, and fix the hours, for taking a fresh poll at that polling station or place and notify the day so appointed and the hours so fixed on the notice board of the returning officer or the assistant returning officer if any, and on the notice board of the society, or
- (ii) if satisfied that the result of a fresh poll at that polling station or place will not, in any way, affect the result of the election or that the error or irregularity in procedure is not material, issue such directions to the Returning Officer as it may deem proper for the further conduct and completion of the election.

(3) The provisions of these rules shall apply to every such fresh poll as they apply to the original poll.

**14J. Adjournment of poll or countermanding of election on the ground of booth capturing.**- (1) If at any election,-

- (i) booth capturing has taken place at a polling station or at a place fixed for the poll (hereinafter in this clause referred to as a place) in such a manner that the result of the poll at that polling station or place cannot be ascertained; or
- (ii) booth capturing takes place in any place for counting of votes in such a manner that the result of the counting at that place cannot be ascertained, the returning officer shall forthwith report the matter to the Co-operative Election Commission.

Provided that a report or certificate shall be obtained from the police or Tahsildar to the effect that the result of the poll cannot be ascertained due to booth capturing which has taken place at that polling station or place.

(2) The Co-operative Election Commission shall, on the receipt of a report from the returning officer under sub-rule (1) and after taking all material circumstances into account, either,-

- (i) declare that the poll at that polling station or place be void, appoint a day, and fix the hours, for taking fresh poll at that polling station or place and notify the date so appointed and hours so fixed on the notice board of the returning officer or the assistant returning officer if any, and on the notice board of the society, or
- (ii) if satisfied that in view of the large number of polling stations or places involved in booth capturing, the result of the election is likely to be affected, or that booth capturing had affected counting of votes in such a manner as to affect the result of the election, countermand the election.

**Explanation** In this rule, the term "booth capturing" includes, among other things, all or any of the following activities, namely:-

- (a) seizure of a polling station or a place fixed for the poll by any person or persons, making polling authorities surrender the ballot papers and doing of any other act which affects the orderly conduct of elections;
- (b) taking possession of a polling station or a place fixed for the poll by any person or persons and allowing only his or their own supporters to exercise

their right to vote and prevent others from free exercise of their right to vote;

- (c) Coercing or intimidating or threatening directly or indirectly any member by any person or persons and preventing him from going to the polling station or a place fixed for the poll to cast his vote;
- (d) seizure of a place for counting of votes by any person or persons, making the counting authorities surrender the ballot papers or voting machines and the doing of anything which affects the orderly counting of votes;

**14K. Manner of voting.**- At every election where a poll is taken, votes shall be given by ballot and all the members or representatives or delegates voting at an election shall do so in person at the polling station and no votes shall be received by proxy.

**14L. Ballot paper and ballot box.**- (1) Every ballot paper shall have a counterfoil in Form XVII.

(2) Serial number of the ballot paper and its counterfoil shall be printed on the left hand side on the back of the ballot paper.

(3) If two or more candidates bear the same name, they shall be distinguished by the addition of their residence or occupation or in some other manner.

(4) The ballot paper shall contain the names of the contesting candidates arranged in alphabetical order in Kannada typewritten, cyclostyled or printed, according to convenience. The ballot paper shall also bear the seal of the returning officer or presiding officer with his initials on its reverse. Further, the ballot paper shall contain a column for the voter to inscribe mark "x" against the name or names of the candidates to whom he wants to vote.

(5) For the purpose of printing of ballot papers, the returning officer/ Assistant returning officer shall choose any capable press.

(6) The returning officer/assistant returning officer shall arrange the ballot box/ boxes locally. The ballot box shall be made of tin or any other metal.

**14M. Arrangement at polling stations.**- (1) Outside each polling station there shall be displayed prominently.

- (a) a notice specifying the polling area and the particulars of the voters (members / representatives / delegates) entitled to vote at the polling station ; and
- (b) a copy of the list of contesting candidates.

(2) At each polling station, there shall be set up one or more voting compartments in which the voters can record their votes screened from observation.

(3) The returning officer shall provide at each polling station a sufficient number of ballot boxes, copies of the electoral roll, ballot papers, instruments for stamping the distinguishing mark on the ballot papers and articles necessary for the voters to mark the ballot papers, and such other materials as are necessary for the conduct of the poll.

(4) Canvassing or soliciting of votes during the conduct of election shall be strictly prohibited within one hundred meters from the polling station or the place of polling.

**14N. Admission to the polling stations.**- The presiding officer shall regulate the number of voters to be admitted at any one time inside the polling station and shall exclude there from all persons other than-

- (a) polling officers;
- (b) public servants on duty in connection with the election;
- (c) persons authorized by the District Election Officer and the Co-operative Election Commission;

- (d) candidates or their authorized agents;
- (e) a child in arms accompanying a member;
- (f) a person accompanying a blind or infirm voter who cannot move without help;
- (g) such other persons as the returning officer or the presiding officer may employ for the purpose of election.

**14O. Identification of voters.**-(1) A register shall be kept at the place of election and every voter shall before affixing his signature in the register kept for the purpose produce identity card issued under Rule 13 and then sign in the register and proceed to secure the identification slip.

(2) As each voter enters the polling station, the presiding officer or the polling officer authorized by him in this behalf shall check the voter's name and other particulars with the relevant entry in the electoral roll and then call out the serial number, name and other particulars of the elector.

(3) In deciding the right of a person to obtain a ballot paper, the presiding officer or the polling officer, as the case may be, shall overlook merely clerical or typing or printing errors in an entry in the electoral roll if he is satisfied that such person is identical with the voter whom such entry relates.

**14P. Preparation of ballot boxes for poll.**- (1) Immediately before the commencement of the poll, the presiding officer shall demonstrate to the candidates that the ballot box is empty and bears the labels.

(2) The ballot box shall then be closed, sealed and secured and placed in full view of the presiding officer and the candidates.

(3) Where a seal is used for securing a ballot box, the presiding officer shall affix his own signature on the seal and obtain thereon the signatures of such of the candidates present as are desirous of affixing the same.

(4) Every ballot box used at a polling station shall bear labels, both inside and outside, marked with,

- (a) The serial number, if any, and the name of the constituency/class.
- (b) the serial number and name of the polling station;
- (c) the serial number of the ballot box (to be filled in at the end of the poll on the label outside the ballot box only); and
- (d) the date of poll.

**14Q. Issue of ballot papers to the voters.**- (1) Every ballot paper before it is issued to a voter, and the counterfoil attached thereto shall be stamped on the back with such distinguishing marks as the voter may direct, and every ballot paper, before it is issued shall be signed in full on its back by the presiding officer.

(2) At the time of issuing a ballot paper to a voter, the polling officer shall,

- (a) record on its counterfoil the electoral roll number of the voter and obtain his signature or thumb impression on the said counterfoil;
- (b) mark the name of the voter in the electoral roll to indicate that a ballot paper has been issued to him, without, however, recording therein the serial number of the ballot paper issued to that voter.

Provided that no ballot paper shall be delivered to a voter unless he has put his signature or thumb impression on the counterfoil of that ballot paper.

Provided further that all the voters who have obtained identification slips by producing the identity card before the time fixed for closing the poll and who are present at the polling station shall be issued a ballot paper and allowed to vote.

**14R. Maintenance of Secrecy of voting within the polling station and voting procedure.**- Every elector, to whom a ballot paper has been issued, shall

maintain secrecy of voting within the polling station and for the purpose observe the voting procedure laid down by Co-operative Election Commission.

**14S. Recording of votes of blind or infirm voters.-** (1) If the presiding officer is satisfied that owing to blindness or other physical infirmity, a voter is unable to recognize the symbols on the ballot paper or to make a mark thereon without assistance, the presiding officer shall permit such member to take with him a companion of not less than eighteen years of age to the voting compartment for recording the vote on the ballot paper on his behalf and in accordance with his wishes, and, if necessary, for folding the ballot paper so as to conceal the vote and inserting it into the ballot box;

Provided that no person shall be permitted to act as the companion of more than one voter at any polling station on the same day;

Provided further that before any person is permitted to act as the companion of a voter on any day under this rule, the person shall be required to declare that he will keep secret, the vote recorded by him on behalf of the voter and that he has not already acted as the companion of any other voter at any polling station on that day.

(2) The presiding officer shall keep a record in this respect as provided below,-

**Statement of Illiterate, Blind and Infirm Voters**

Election of the directors of ..... (name of the cooperative society)

| Sl. No. of the voter | Full name of voter | Full name of Companion | Address of companion | Signature of companion |
|----------------------|--------------------|------------------------|----------------------|------------------------|
|                      |                    |                        |                      |                        |
|                      |                    |                        |                      |                        |
|                      |                    |                        |                      |                        |

Signature of the P.O.

**14T. Closing of poll.-** After the polling is over,

(i) the presiding officer shall close the polling station at the hour fixed in that behalf and shall not thereafter admit any member into the polling station.

Provided that all the members present at the polling station before it is closed shall be allowed to cast their votes.

(ii) If any question arises whether a member was present at the polling station before it was closed, it shall be decided by the presiding officer and his decision shall be final.

**14U. Sealing of ballot boxes after the poll.-**(1) As soon as practicable after the closing of the poll, the presiding officer shall close the slit of the ballot box, seal up the slit and thereafter the ballot box shall be sealed and secured.

(2) Where it becomes necessary to use a second box by reason of the first ballot box getting full, the first ballot box shall be closed, sealed and secured before any other ballot box is put into use.

**14V. Account of ballot papers.-** (1) The presiding officer shall, at the close of the poll, prepare a ballot paper account in Form XVIII and enclose it in a separate cover with the words “Ballot Paper Account” superscribed thereon.

**14W. Sealing of other packets.-** (1) The presiding officer shall then make into separate packet-

- (a) the marked copy of the electoral roll;
- (b) the counterfoils of the used ballot papers;
- (c) the ballot paper signed in full by the presiding officer but not issued to the members;
- (d) any other ballot papers not issued to the voters;
- (e) the ballot papers cancelled for violation of voting procedure;
- (f) any other cancelled ballot papers;
- (g) any other papers directed by the CEC to be kept in a sealed packet.

(2) Each such packet shall be sealed with the seal of the presiding officer and with seal either of the candidate or of his authorized agent who may be present at the polling station and may desire to affix his seal thereon.

**14X. counting of votes.-**(1) After the polling is over, the presiding officer/polling officer shall close the poll and deliver the sealed ballot box to the returning officer who shall arrange for counting of votes immediately. Votes shall be counted by or under the supervision of the returning officer or the assistant returning officer. Each candidate or his authorised agent shall have a right to be present at the time of counting. But the absence of any candidate or his agent at the time of counting shall not vitiate counting or announcement of results by the returning officer. The CEC has to issue guidelines in this regard.

(2) After the counting of all ballot papers contained in all the ballot boxes used in an co-operative society has been completed, the returning officer shall make the entries in a result sheet in **Form-XXI** and announce the particulars.

**14Y. Declaration of result of election and returns to CEC.-**(1) After the counting is over-

- (i) the candidate who has secured the largest number of valid votes shall be declared as elected.
- (ii) If equality is found to exist between the candidates to be declared elected, the Returning Officer shall forthwith decide between these candidates, by drawing lots and the candidate in whose favour the lot falls shall be considered to have received an additional vote.

(2) After the completion of the counting of votes, the Returning Officer shall declare the result of the elections immediately and publish the list of elected candidates on the notice board of his office and also on the notice board of the society and deliver a copy of it to the Chief Executive of the society on the same day in **Form XXII**. He shall immediately thereafter record the proceedings of the election in a comprehensive report which shall form part of the election records and shall be binding on all. The returning officer shall immediately also furnish a copy of such a report together with a copy of the return of the results of polling to the chief executive of the society and send signed copies thereof to the District Election Officer and the CEC.

**14Z. Grant of certificate of election to the elected candidate.-**As soon as may be after a candidate has been declared to be elected by the returning officer, the returning officer shall grant to such candidate a certificate of election in **Form XXIII** and obtain from the candidate an acknowledgement of its receipt duly signed by him and immediately send the acknowledgement to the District Election Officer.

**14AA. Election expenses.-** All expenditures like stationary, printing, postage, xeroxing, fax, rent for the ballot boxes, indelible ink, police security and such other items of expenditure related to the election of representatives or directors of a cooperative society shall be borne by the society. Expenditure

towards preparation of electoral roll, the travelling and other allowances and also remuneration payable to the returning officer, assistant returning officer, presiding officer and other polling personnel shall also be borne by the society itself at such rates as may be fixed by the CEC from time to time.

**14AB. Custody of ballot boxes and papers relating to election.-** (1) All ballot boxes used at an election shall be kept in such custody as the CEC may direct.

(2) The returning officer shall keep in safe custody.

- (a) the packets of unused ballot papers with counterfoils attached thereto;
- (b) the packets of unused ballot papers whether valid or rejected,
- (c) packets of counterfoils of used ballot papers;
- (d) the packets of the marked copy of the electoral roll; and
- (e) the packets of the declaration by voters and the attestation of their signatures, and
- (f) all other papers relating to election.

**14AC. Production and inspection of election papers.-** (1) While in the custody of the returning officer,-

- (a) the packets of unused ballot papers with counterfoil attached thereto;
- (b) the packets of used ballot papers whether valid or rejected;
- (c) packets of counterfoils of used ballot papers;
- (d) the packets of the marked copy of the electoral roll and
- (e) the packets of the declaration by voters and the attestation of their signatures.

shall not be opened and their contents shall not be inspected by or produced before, any person or authority except under the orders of a competent court.

(2) Subject to such conditions and to the payment of such fee as the CEC may direct.

- (a) all other papers relating to the election shall be open to public inspection; and
- (b) copies thereof shall on application be furnished.

(3) Copies of the returns forwarded by the returning officer shall be furnished by him on payment of a fee of two rupees for each such copy.

**14AD. Disposal of election papers.-** Subject to any directions to the contrary given by the CEC or by a competent Court,-

- (a) the packets of unused ballot papers shall be retained for a period of six months and shall thereafter be destroyed in such manner as the CEC may direct
- (b) the other packets, shall be retained for a period of one year and shall thereafter be destroyed.  
Provided that packets containing the counterfoils of used ballot papers shall not be destroyed except with the previous approval of the CEC.
- (c) all other papers relating to the election shall be retained for such period as the CEC may direct.

**14AE. Return or forfeiture of candidate's deposit.-** (1) The deposit made under **rule 14A** shall either be returned to the person making it or his legal representative or be forfeited to the cooperative society;

(2) Except in cases mentioned in this rule, the deposit shall be returned as soon as practicable after the result of the election is declared.

(3) If the candidate is not shown in the list of contesting candidates or if he dies before the commencement of this poll, the deposit shall be returned as soon as practicable after the publication of the list or after the death, as the case may be.

(4) Subject to the provisions of **sub-rule (3)**, the deposit shall be forfeited if at an election where a poll has been taken the candidate is not elected and the number of valid votes polled by him does not exceed one-sixth of the total number of valid votes polled by all the candidates divided by the number of members to be elected.

Provided that in the case of a candidate belonging to backward classes, scheduled castes, the scheduled tribes or women, the deposit shall not be forfeited unless the number of valid votes polled by him/ her is less than one tenth of the total number of valid votes polled.

**14AF. Report of casual vacancy in a cooperative society.-** When a casual vacancy occurs in the office of a representative or director the chief executive of the cooperative society shall give notice of such vacancy within seven days from the date of its occurrence, to the CEC. The CEC shall conduct elections within sixty days from the date it being notified about the occurrence of any casual vacancy in the office of a director or representative of a cooperative society to fill up such casual vacancy in the manner provided in these rules.

**14AG. Election of the office-bearers** –(1) The Returning Officer appointed for the conduct of general election of directors to the board shall be the Returning Officer for the conduct of election of the office bearers also.

(2) Whenever a casual vacancy occurs in the office of the President or Vice-President or any other office-bearer, the Chief Executive shall send a communication to the CEC conveying the occurrence of such vacancy within seven days from the date of occurrence of the vacancy. The CEC shall take steps for conducting election to fill up the casual vacancy in the office of the President or Vice President or any other office-bearer as the case may be, and appoint a returning officer for the purpose of the conducting election to fillup casual vacancy.

(3) The Returning officer, appointed under sub-rule (1) or sub-rule (2), shall within fifteen days, from the date of constitution or deemed constitution of the board after a general election of the board or from the date of appointment as per sub-rule(2) convene a meeting of all the directors who are eligible to vote for electing the chairperson/President, Vice Chairperson /Vice-President and such other office-bearers as are required to be elected under the bye-laws of the cooperative society. The meeting shall be convened by giving a notice of seven clear days sent by registered post, indicating the date, time and venue of meeting.

(4) Not less than two hours before the time fixed for the meeting for the election of President or Vice-President or any other office-bearers, any member of the board who is eligible and\_ desirous of being elected as the president or vice president or any other office-bearer, as the case may be, may submit his nomination by delivering the nomination paper in **Form XXIV** to the Returning Officer. Such nomination shall be proposed by another member of the board eligible to do so and seconded by a third member of the board eligible to do so.

(5) No director shall propose or second under sub-rule (4) more than one candidate for the office of the President or vice-President or any other office bearer of the society.

Provided that if any director has proposed or seconded more than one candidate for the office of the President or Vice-President or any other office-bearer of the society, the nomination which is received first shall be considered for scrutiny.

(6) The Returning Officer appointed under sub-rule (1) shall preside over the meeting of the board convened for the purpose of electing the office bearers or filling up the casual vacancy in the office of the President or Vice President or any other office-bearer as the case may be.

(7) After the commencement of the meeting, the Returning Officer shall scrutinize all such nomination papers and shall read out to the directors present at such meeting, the names of the directors who in his opinion have been duly nominated, together with those of the proposers and the seconders.

(8) Any candidate may withdraw his candidature by notice in writing duly signed by him and delivered to the Returning Officer within thirty minutes after the scrutiny of the nomination papers.

(9) The notice of withdrawal shall be given in writing by the candidate in person.

(10) No director who has given a notice of withdrawal of his candidature under sub-rule (8) shall be allowed to cancel the notice of withdrawal.

(11) The Returning Officer shall, on being satisfied as to the genuineness of the notice of withdrawal and the identity of the director delivering it under sub-rule (9) read out to the directors present at such meeting the name/names of the person/ persons withdrawing his/their candidature.

(12) After the time fixed for withdrawal is over, if for any office for which election is to be held, the number of candidates who have been validly nominated and have not withdrawn their candidature in the manner and within the time specified, does not exceed the number of candidates to be elected for that office, the Returning Officer shall forthwith make a declaration that the validly nominated candidate shall be deemed to have been elected for that office.

(13) If the number of validly nominated candidates for any office exceeds the number of candidates to be elected for that office, the Returning Officer shall proceed to take a poll by secret ballot as hereinafter provided.

(14) The votes shall be taken by secret ballot and the directors voting for and against any candidate shall record their votes in the ballot papers supplied to them.

(15) Any director present at the meeting may refrain from voting if he so chooses to do.

(16) After the voting by all the directors present and wishing to vote is over, the Returning Officer shall count the votes and declare the candidates who have secured the highest number of valid votes to have been duly elected.

(17) When an equality of valid votes is found to exist between any two or more candidates and the addition of one vote will entitle any of those candidates to be declared elected, the Returning Officer shall forthwith decide between those candidates by lot in such manner as he may determine and proceed as if the candidate on whom the lot falls has received an additional vote. He shall thereafter declare the candidate on whom the lot falls to have been duly elected.

(18) The Returning Officer shall cause a record of the minutes of the meeting which shall contain the names of all the members present. The minutes shall be signed by the Returning Officer, the chief executive as also the directors present and wishing to sign. The minutes shall be made available to any member for inspection.

(19) The Returning Officer shall immediately thereafter record the proceedings of the election in a comprehensive report which shall form part of the records of the election and shall be binding on all. The Returning Officer shall also furnish a copy of such a report together with a copy of the return of the results of the polling to the chief executive of the society and send a report to the District Election Officer and CEC.

(20) After declaration of the result of election, the Returning Officer shall hand over the ballot papers and records relating to the election of the office-bearers to the chief executive of the society in a sealed cover. These shall safely be preserved by the chief executive of the society for a period of six months from the date of election or till such time a dispute or an appeal regarding the election, if any, filed is disposed of whichever is later and shall thereafter be destroyed.

**14AH. Elections to the first board after registration.**—The provisions of Rules 13 B to 13 G and 14 to 14 AG shall, mutatis mutandis, apply to the election of the first board after registration of a society.

Provided that no list of defaulters as contemplated under sub-rules (3) and (5) of rule 13D is required to be published”.

**14AI. Election of the office-bearers in the first board.**—The provisions of Rule 14AG shall mutatis mutandis apply to the election of the office bearers of the first board of the society after registration.

**14AJ. General meetings:**— (1) The board of a co-operative society may, at any time, call a general meeting of its general body.

Provided that one such meeting known as annual general meeting shall be held within the twenty fifth day of September every year to transact the business stated in Section 27.

(2) The chief executive, after the board decides the date and time of the general meeting to be convened, shall convene the annual general meeting by giving a notice of at least fifteen clear days as specified in the bye-laws. However in the case of exigency, a special general meeting may be convened by giving a notice of atleast ten clear days in writing. The notice may be sent in the following modes, namely:

(a) by ordinary post; or

(b) by e-mail; or

(c) by local delivery under proper acknowledgement; and

(d) by publication in the newspaper having wide circulation in the area of operation.

(3) When a special general meeting is called by the Registrar or any person authorised by him under sub-section (3) of Section 27 or a special general meeting under sub-section (2) of Section 28, he may determine—

(i) the period of notice of such meeting which shall not be less than ten clear days, as the case may be;

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

(iii) the subjects to be considered in such meeting.

The Registrar or any person authorized by him may preside over such meeting.

(4) The meeting notice shall clearly state the place, date, time and agenda of the meeting. The Chief Executive shall send brief notes on each of the subjects in the agenda including a copy of the audited balance-sheet, profit and loss account, together with a brief summary of the important observations made in the auditor's report relating to the preceding year, a brief report on the follow up action taken by the board on the audit report for the preceding year and the proposal to amend the bye-laws, if any, with the text of the proposed amendment along with the notice of the meeting. However the chief executive should also make available at the office the detailed notes on all the subjects in the agenda and complete auditor's report relating to the preceding year, to the members who are desirous of such information.

(5) The quorum for the general meeting shall be the attendance of twenty percent of the total number of members with right to vote of the general body of the co-operative society. No business shall be transacted at any general meeting unless there is a quorum at the time when the business of the meeting is due to commence.

(6) If there is no quorum within an hour from the time fixed for the meeting, such meeting shall be adjourned.

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

(7) If at any time during the meeting when any business is being transacted sufficient number of members are not present to form the quorum, such business shall not be transacted and the chairperson or the member presiding over the meeting, on his own or on his attention being drawn to this fact, shall adjourn the

meeting and the business that remains to be transacted at this meeting, if any, shall be disposed of in the usual manner at the adjourned meeting.

(8) When the meeting is adjourned under either sub-rule (6) or sub-rule (7), the adjourned meeting shall be held on that day itself or at such place and on such date and time as may be fixed by the chairperson of the meeting within seven days from the date of adjournment. In such an adjourned meeting, no subject other than those listed in the agenda of the meeting adjourned shall be discussed and the decisions taken. Even for the adjourned meeting, there shall be the required quorum for consideration of the subjects.

(9) The business which could not be considered at the meeting so adjourned for want of quorum shall be brought before and disposed of at a meeting so fixed or at any subsequent meeting at which there is a quorum.

(10) All decisions shall be taken by a simple majority of the members present in the general meeting unless stated otherwise in the Act, the rules or the bye-laws. When there is an equality of votes for or against a decision on any subject other than election, the chairperson of the meeting shall have a second or casting vote.

(11) If for any reason, the president or the chairperson is unable to attend the meeting of the general body, the vice-president or the vice-chairperson, or in his absence, any other member of the board elected by the directors present at the meeting from among themselves shall preside over the said meeting.

(12) The chief executive shall record the minutes of the proceedings of the meeting truly and accurately as per the deliberations in the meeting in the book kept for the purpose with its pages consecutively numbered. When any member expresses dissent in the deliberations on any subject, the Chief Executive shall record the same truly and accurately. The minutes of the meeting shall contain a fair and correct summary of the deliberations thereat.

(13) The proceedings of each meeting so recorded by the chief executive shall be signed by him and the chairperson of the meeting.

(14) The chief executive shall send a certified copy of the minutes of the meeting to the Registrar and the financing bank within thirty days from the date of such meeting and publish a certified copy on the notice board of the co-operative society.

(15) The books containing the minutes of the proceedings of any meeting shall-

(a) be kept at the registered office of the co-operative society; and

(b) be open during business hours, to the inspection of any member of the co-operative society and a copy be made available to any member of the society who makes an application for such a copy.

**14AK. Board Meetings.-** (1) The board may meet as and when required for transacting the business stated in Section 28C of the Act or the rules or the byelaws.

Provided that the interval between two consecutive meetings of the board shall not exceed three months.

(2) The chief executive shall convene a meeting of the board, in consultation with the chairperson or president of the co-operative society, by giving a notice of at least seven clear days as specified in the bye-laws. In exigencies, a meeting of a board may be convened by giving a notice of at least of three clear days. The notice may be sent in the following modes, namely:

(a) by speed post; or

(b) by courier; or

(c) by local delivery under proper receipt

(3) The notice shall state clearly the place, date, time and agenda of the meeting. The Chief Executive shall send detailed notes containing the pros and

cons, the provisions of law if any and the financial implications on each subject on the agenda along with such notice.

(4) The number next to fifty per cent of the strength of the board as specified in the bye-laws shall form the quorum for a meeting of the board. If there is no quorum at the time of transacting any business in any meeting of the board, no such business shall be transacted.

(5) The provisions of sub-rules (6) to (10) and (12) to (15) of rule 14AJ shall, mutatis mutandis apply to the board meetings.

(6) Normally no subject other than those listed in the agenda shall be taken up for discussion. However, if there is no sufficient time to wait for the decision on any subject in the next meeting of the board, such subject may be taken up for discussion and decision as an additional subject with the permission of the Chairperson of the meeting after giving necessary notes on such subject to all the directors and after discussion and decision on all the subjects listed on the agenda;

Provided that no subject relating to the following matters shall be taken up for discussion and decision as additional subject, namely-

- a) election of directors;
- b) election of office-bearers;
- c) filling up the post of a director by co-option;
- d) filling up the post of a casual vacancy of a director by co-option;
- e) imposition of penalties against the employees; and
- f) any subject involving financial implication;

Further provided that no additional subject is placed without relevant additional agenda notes.

(7) The board shall not take any decision which is contrary to the provisions of the Act, the Rules or the bye-laws or detrimental to the interest of the co-operative society. The directors shall be jointly and severally liable for any decision taken contrary to the provisions of the Act, the Rules or the bye-laws or any decision detrimental to the interest of the co-operative society

(8) The chief executive shall record the minutes of the proceedings of the meeting truly and accurately as per the deliberations in the meeting in the book kept for the purpose with its pages consecutively numbered. When any member expresses dissent in the deliberations on any subject, the Chief Executive shall record the same truly and accurately. The minutes of the meeting shall contain a fair and correct summary of the deliberations thereat.

(9) The proceedings of each meeting so recorded by the chief executive shall be signed by him and the chairperson of the meeting. The minutes of the meeting so recorded and signed shall be sent to all the directors within seven days from the date of the meeting.

(10) If any director has any objection relating to recording of any decision on a subject on the ground that the said decision has not been recorded as per the decision taken in the meeting or the said subject was not discussed in the meeting, he shall communicate his opinion within three days from the date of receipt of the minutes of the meetings. In the event of a majority of the directors communicating such objection on any decision, the Chief Executive shall not implement such decision but shall place the same in the next meeting of the board.

(11) If for any reason, the president or the chairperson is unable to attend the meeting of the general body, the vice-president or the vice-chairperson, or in his absence, any other member of the board elected by the directors present at the meeting from among themselves shall preside over the said meeting.

(12) Where in any meeting of the general body or board of a co-operative society, another co-operative society is to be represented, such co-operative society shall be represented in such meeting only through chairperson or president or a member of the board duly authorized by the board of such co-operative, as the case may be and where there is no board of such co-operative society, for whatever reasons, through the administrator or the special officer of such co-operative society.

**14AL. Reservation in favour of S.C. / S.T.s, Women and Backward Classes on the board.-** Where the board of a cooperative society is elected on area/ constituency basis, the constituencies where reservation of seats shall be provided for in favour of S.C. / S.T.s, Women and Backward Classes on the board shall be decided in the Annual General Meeting preceding the date of the general election of the board and shall be subject to such guidelines as may be issued by the CEC in this behalf. It shall be ensured that the reservation of seats shall be so rotated that all the constituencies are covered under reservation in a phased manner.

Provided that if in a constituency reserved for SC, ST, Women or Backward Classes a member belonging to that caste or class or category residing within that constituency is not available, a member from any other constituency but within the area of operation of the society may contest from that reserve constituency.

**14AM. Powers and Functions of the chief executive.-** In addition to the powers stated in sub-sections (4) and (5) of Section 29G, the chief executive shall have the following powers and duties-

- (1) furnish to the board periodical information necessary for apprising the operations and functioning of the society.
- (2) present the draft annual report and financial statements for approval of the board within thirty days of the closure of the cooperative year.
- (3) be responsible for the general conduct, supervision, control and management of the day to day business and affairs of the society;
- (4) be responsible for the general supervision and control over the employees of the society including the power to sanction leave, to impose any punishment or suspend them;

Provided that, where the power of keeping the employee under suspension pending enquiry or imposing any punishment is not conferred expressly on him under the bye-laws or the service regulations of the society, such suspension or punishment shall be imposed with the approval of the board”

- (5) arrange for proper maintenance and custody of cash balance, stock and other properties of the society;
- (6) pay all costs of management and working expenses out of the funds of the society; ’
- (7) issue notices for meetings of the general body, board and sub-committees if any, along with the agenda and the notes on each subject in the agenda;
- (8) remain present in all meetings of the general body, the board and sub committees, if any, and produce all the papers and information required at such meetings and sign, along with the chairperson, the minutes of such meetings;
- (9) present the annual financial statements for the previous year along with schedules, returns and other statements for audit with the approval of the board before the auditor or auditing firm within

thirty days of the closure of the cooperative year.

- (10) place before the board the reports of audit under section 63, inquiry under section 64 and inspection under section 65 along with actions that may be taken to rectify the defects or remedy the irregularities noted in the said reports;
- (11) send the reports of compliance on the rectification of the defects and remedying of the irregularities noted in the said reports after approval by the board and continue to send such rectification reports to the Director of cooperative audit or the Registrar, as the case may be, periodically till all such defects are rectified and such irregularities are remedied,
- (12) institute, defend, conduct, compound or abandon any suit or other legal proceedings by or against the society and enter into compromise or arbitration with the creditors and debtors of the society with the approval of the board.
- (13) if any director of the cooperative society is not eligible to continue in his post, under the Act, rules and bye-laws it has to be reported to the jurisdictional Registrar within thirty days.
- (14) submit such information, reports and returns concerning the affairs of the society as may be required by the Registrar from time to time:
- (15) In respect of an apex society, the chief executive
  - (h) shall have power to transfer the employees in consultation with the chairperson;
  - (i) (ii) may place an employee under suspension, where a disciplinary enquiry into the charges against him is contemplated or pending;
- (16) When the post of the Chief Executive is vacant or during his absence on leave, the current routine powers and duties of the chief executive shall, be performed by the officer next below him”.

**13. Substitution of Rule 15** – For rule 15 of the said rules the following shall be substituted, namely:-

**“15. Remuneration payable to the special officer-** Any officer or employee of the Government or a Cooperative organization may be appointed as special officer of a cooperative society of the Act-

- (i) if he is appointed on full time basis, his pay and other allowances shall be borne by the cooperative society. The service rules applicable to him in the department or organization shall continue to govern his service as special officer of the society;
- (ii) if he is appointed as special officer in addition to his regular post, he shall be paid remuneration at the rate of ten percent of his basic pay out of the funds of the cooperative society. The service rules applicable to him in the department or organization shall continue to govern his service as special officer of the society.”

**14. Amendment of Rule 17 .–** In rule 17 of the said rules, after sub-rule (2), the following shall be inserted, namely:-

"Provided that in sub rule (2) the person to be appointed as Chief Executive of a District Central Co-operative Bank or the State Co-operative Bank shall satisfy the qualification and experience as prescribed by the National Bank for Agriculture and Rural Development or Reserve Bank of India".

**15. Substitution of rule 18.-** For rule 18 of the said rules, the following shall be substituted, namely:-

**"18. Conditions of service of the employees of the cooperative societies.-** Every cooperative society shall lay down in its bye-law, conditions of service of its employees. If it is not already laid down, it can be incorporated within three months from the date of commencement of these rules".

**16. Substitution of rule 20.-** For rule 20 of the said rules, the following shall be substituted, namely:-

**"20. Cooperative Education and Training.-** (1) Every cooperative society shall remit its contribution towards cooperative education fund to the account of the Karnataka State Cooperative Federation Limited, Bangalore within thirty days from the date of its annual general meeting.

(2) The cooperative education fund shall be maintained and administered by the Karnataka State Cooperative Federation Limited and shall be utilized on the advice of an advisory committee consisting of the following members, namely:-

- |     |                                                                                                                                                                                                                                                                                       |                  |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| (a) | President, Chairperson of the State Cooperative Federation                                                                                                                                                                                                                            |                  |
| (b) | Four apex societies' president/ chairpersons i.e. Karnataka State Cooperative Apex Bank Ltd., Karnataka Cooperative Milk Federation Ltd., Karnataka State Cooperative Urban Banks Federation Ltd., and Karnataka State Credit Cooperative Societies Federation Ltd., are the members. | Member           |
| (c) | The Director, Regional Institute of Cooperative Management, Bangalore.                                                                                                                                                                                                                | Member           |
| (d) | The Registrar of Cooperative Societies or his nominee                                                                                                                                                                                                                                 | Member           |
| (e) | The chief executive officer of the State cooperative federation.                                                                                                                                                                                                                      | Member Secretary |

(3) The quorum for a meeting of the advisory committee shall be five. The advisory committee shall be convened at least once in three months.

(4) The Karnataka State Cooperative Federation shall maintain this fund in a separate account and all income by way of interest or otherwise accruing from the contribution towards this fund shall be credited to this fund.

(5) No expenditure out of the cooperative education fund shall be incurred without the approval of this advisory committee. The auditor of the State Cooperative Federation shall verify the utilization of the fund and certify the same.

(6) Subject to such directions as the advisory committee may give from time to time, the fund may be utilized for any of the following purposes connected with the cooperative education, training and human resource development of the cooperative societies, namely:-

- (a) education of the members, directors including office-bearers and employees of the cooperative societies and the general public in the principles and practice of co-operation;
- (b) human resource development in the cooperative societies;
- (c) development of cooperative societies;
- (d) capacity building and business management;
- (e) professionalization;
- (f) technical upgradation;
- (g) education, training, research, man power and related infrastructure;
- (h) research and development;

- (i) development of the cooperative movement in general;
  - (j) cooperative propaganda and publicity;
  - (k) publication of the books and journals relating to the cooperative movement;
  - (l) conduct of research, case studies and education in the field of cooperative movement;
  - (m) award of prize, or honorarium for rendering meritorious service to the cause of the cooperative movement of the State.
- (7) The State Cooperative Federation shall prepare annual budgets and formulate training and education programmes for the development of cooperatives and cooperative movement particularly in matters such as financial and business management in the cooperative societies, member education, awareness building on cooperative principles and values etc., according to the overall guidelines issued by the advisory committee and be responsible for implementation of the same.
- (8) The State Cooperative Federation and the District Cooperative Unions shall submit returns to the Registrar once in a year showing the details of the training programmes conducted.
- (9) The board of every cooperative society shall also include in its annual budget provision for expenses on member and potential member education and training of its

directors and employees. It shall ensure that the members, directors and employees are well informed and trained about the theory, principles and practice of cooperation. It shall also aim at ensuring that the transparency, the levels of awareness, member participation and member control expected of any good cooperative society are reached out to the members, the directors and the employees of the cooperative society."

**17. Amendment of rule 29.- Accounts and other books to be maintained by societies.-** (1) A cooperative society shall maintain books of accounts and registers having regard to its objects and showing a true and accurate picture/status of all the transactions relating to its affairs particularly with reference to all receipts and payments; all income and expenditure; administration and management; business operations; every contact made with members and those having business relationship with the society; conduct of general meetings/ board meetings/sub-committee meetings and such other meetings; transaction with members and non-members; loans and advances to the members and recovery of such loans; its assets and liabilities; all purchases and sales of goods; production, processing and manufacturing; utilization of materials or labour; recruitment and promotion of employees and disciplinary action against them; raising resources and utilization of the funds; investment of funds; bank accounts; accounts and audit; distribution of profit etc., It shall maintain the original registration certificate; its byelaws with the registered amendments; the service rules with upto date amendments; its business rules / subsidiary regulations with upto date amendments; the Cooperative Societies Act and rules with upto date amendments; other law books applicable to its business and administration; etc., It shall also keep such account books and registers in connection with the business of the society as the Registrar of Cooperative Societies may from time to time, require.

**Explanation:-** For the purpose of this rule "Annual audit" means the audit of accounts of a cooperative society for the cooperative year to be conducted after the close of that co-operative year under Section 63. It culminates in the submission of audited financial statements along with the accompanying audit report after verification of the financial statements and the records and documents of the cooperative society.

(2) The audit under sub-section (1) of Section 63 shall include, in addition to the matters specified in sub-sections (2) and sub-sections (14) to (18) of the said section, the following particulars.-

- (a) examination of the programmes and activities and taken by the society with reference to the objectives mentioned in the bye-laws.
- (b) verification of receipts and payments / income and expenditure with reference to original receipts and vouchers about their genuinty and propriety.
- (c) verification of the balances at the credit of the depositors and creditors and of the amounts due by the society's debtors, of such proportion thereof as may be fixed by the Registrar of Cooperative Societies or the Reserve Bank of India or NABARD as the case may be;
- (d) examination of the transactions of the members of its board.
- (e) examination of the recruitment and promotion of the employees including their service conditions and disciplinary actions against them.
- (f) examination of the services provided to the members and the extent of utilization of the said services by the members / directors.
- (g) maintenance of accounts-adequacy and updating-computerization of the transactions of the society.
- (h) compliance with the transparency and other related laws to the extent applicable to the cooperative societies in the various transactions and operations of the society.
- (i) examination of the statement of accounts of the society to be prepared by the board in such form as may be stipulated by the Registrar of Cooperative Societies or the Reserve Bank of India or the NABARD as the case may be
- (j) certification of the profits actually realized or loss actually incurred;
- (k) whether, in the case of a cooperative bank, the guidelines, etc., issued by the Reserve Bank of India and NABARD have been adhered to.
- (l) any other matter that may be specified by the Registrar of Cooperative Societies or the Reserve Bank of India or the NABARD as the case may be.

Provided that the audit shall, in addition to financial audit, also include propriety audit.

(3) The board of every cooperative society shall ensure that the annual financial statements like the receipts and payments / income and expenditure, profit and loss and the balance sheet along with schedules and other statements are prepared and presented for audit before the auditor or auditing firm within thirty days of the close of the cooperative year.

Provided that the schedules and returns to be furnished to the auditor or auditing firm shall include the following.

- (a) statement of general information and working of the society;
- (b) statement of verification by the board of cash and closing stock as at the end of the cooperative year;
- (c) statement of bank reconciliation and balance confirmation;
- (d) membership and share schedule;
- (e) list of employees and members of the board;
- (f) loans and advances to the directors
- (g) loans and advances to the employees;
- (h) demand, collection and balance statement;
- (i) list of defaulter members;
- (j) list of the members having right to vote;
- (k) schedule of investments made and confirmation statement;

- (l) schedule of bad and doubtful debts;
- (m) loan confirmation statement;
- (n) investment on the assets during the year;
- (o) schedule of directors who have absented for three or more meetings of the board;
- (p) schedule of members who have not attended three or more general meetings;
- (q) schedule of members who have not complied with the requirement of the byelaws as far as obligations of membership are concerned
- (r) statement of misappropriation or embezzlement cases;
- (s) schedule of unrecovered loans and advances for one year and above;
- (t) schedule of the arbitration and execution cases;
- (u) schedule of the reserves and other funds;
- (v) schedule of the depositors if any;
- (w) schedule of the assets and properties;
- (x) schedule of the closing stock;
- (y) schedules relating to the objectives set out in the bye-laws and the extent to which they are achieved typewise societies;
- (z) schedule of loans and advances to the members.

(4) While examining the irregularities mentioned in clauses (a) & (b) of sub-section (17) of Section 63, the auditor or auditing firm shall exercise such due care, diligence and skills as intelligent and prudent person would exercise honestly in similar circumstances and incorporate the findings in the audit report.

(5) While conducting the statutory audit of a cooperative society, the auditor/auditing firm may issue, from time to time during audit, interim objections to the chief executive of the cooperative society or to the officer performing the duties of the chief executive for compliance or explaining the defects and irregularities pointed out in such objections within a period not exceeding five days. The chief executive shall return the interim objection sheets with the compliance / reply to the auditor / auditing firm within the time specified by the auditor. The auditor or auditing firm shall review the compliance report and drop such objections which, in his opinion, have been complied with satisfactorily and shall incorporate the remaining objections in the audit report.

**29A. Qualification for appointment as an auditor or auditing firm.-** (1) The auditor or auditing firm who shall be included in the panel of auditors may be an auditor or auditing firm as provided in the Act.

(2) None of the following persons shall be qualified for appointment as an auditor / auditing firm for a cooperative society-

- (i) an officer or employee of the cooperative society;
- (ii) a person who is a member of that co-operative society;
- (iii) a person who is indebted to the cooperative society or who has given any guarantee or provided any security in connection with the indebtedness of any third person to the cooperative society prior to or during the course of audit;
- (iv) a person or a member of his family who has a direct or indirect interest in the affairs of the cooperative society; and

- (v) a person who is wilfully not complied with the provisions of the Act or the rules during the audit of accounts of any cooperative society for the previous cooperative year.
- (3) Any person not having the qualification and experience for appointment as an auditor under Section 63 and any person not included in the panel of auditors or auditing firms maintained and approved by the Director of Cooperative Audit shall not be appointed as an auditor / auditing firm for the conduct of audit of accounts of any cooperative society.
- (4) An auditor or auditing firm ceases to hold office when he
- resigns; or
  - completes his / her term of office.
- (5) Only the person appointed as an auditor / auditing firm of a cooperative society shall sign the audit report or sign or authenticate any other document of the cooperative society required by law to be signed or authenticated by the auditor / auditing firm.
- (6) The audit report shall be read in the general meeting of a cooperative society and shall be open to inspection by any member of the cooperative society.

**29B. Procedure for preparation of panel of the Auditors and Auditing firms.-**

- (1) The Director of Co-operative Audit shall give a public notification in a widely circulated kannada news paper and through departmental website inviting applications from the intending Chartered Accountants and Chartered Accountants Firms possessing the requisite qualification and experience and willing to be included in the list of Auditors or Auditing Firms for taking up the audit of accounts of Co-operative Societies.
- (2) The Director of Co-operative Audit shall scrutinize the applications and prepare the list of eligible Auditors and Auditing Firms and publish the same in the Departmental Website.
- (3) The enlistment of the Auditor or Auditing Firm shall be valid till such period he withdraws his name or he is disqualified for any professional misconduct. Further, the Director of Co-operative Audit shall enlist any Auditor or Auditing Firm on an application made by the concerned in the format prescribed if applicant satisfies the required conditions.

**Note:-** The Director of Co-operative Audit shall categorise the societies into three groups based on working capital and total turnover and also classify the Auditors into three categories based on their experience for assigning them to respective category of societies in the following manner.

| Sl. No. | Categories of Societies                                                                                                            | Panel of Chartered Accountant and Chartered Accountant Firms and Departmental Auditors eligible for audit |
|---------|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| 1.      | Group “A” Societies having more than Rs.25 crores of working capital/turnover                                                      | Chartered Accountants and Chartered Accountant Firms having minimum of ten years experience.              |
| 2.      | Group “B” Societies having more than Rs.10 crores of working capital/turnover and below Rs.25 crores of working capital/ turnover. | Chartered Accountants and Chartered Accountant Firms having minimum of five years experience.             |

|    |                                                                                                                                                                                 |                                                                                                                                                                                        |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3. | Group "C" Societies having less than Rs.10 crores of working capital/turnover, grouped into district-wise lists.                                                                | Chartered Accountants and Chartered Accountant Firms having minimum of three years experience and officials of the Department of Cooperative Audit, grouped into district-wise panels. |
|    | Auditors listed against 'A' Category Societies can Audit 'B' & 'C' Category Societies and Auditors listed against 'B' Category can take up the Audit of 'C' Category Societies. |                                                                                                                                                                                        |

(5) The categorisation of Auditors and grouping of co-operative societies shall be made / updated every year after the end of financial year.

(6) The General Body of every Co-operative Society shall select Auditing Firm/Auditor (Chartered Accountant or Departmental Auditors/Officials) from the list of eligible Auditors and Auditing Firms in the respective panel of Auditors published in the Departmental Website for the audit of accounts of co-operative society. But, the same persons shall not be appointed as an Auditor and Auditing Firm of the same co-operative society for more than two years consecutively.

(7) The Auditor / Auditing Firm so appointed by the General Body shall complete the audit of accounts of the co-operative society for the previous co-operative year in accordance with the provisions of the Act and these Rules as early as possible and submit the audited financial statements and the accompanying audit report within thirty days from the date of completion of audit or before the first day of September, whichever is earlier, to the co-operative society, the Registrar of co-operative societies and the Director of Co-operative Audit and the financing agency, if any.

Provided for the audit of co-operative year 2012-13, including arrears of audit if any, the board of a co-operative society is competent to appoint the Auditor from the panel communicated by the Director of Co-operative Audit and shall get its accounts audited before 1<sup>st</sup> of September 2013.

(8) The chief executive of the society shall communicate the appointment of the Auditor or Auditing Firm within seven days from the date of the General Body Meeting, to the Auditor / Auditing Firm and Director of Co-operative Audit.

(9) When a Co-operative Societies is newly registered, the General Body of the society is in its first general meeting shall appoint the Auditor or Auditing Firm from the list of eligible Auditors and Auditing Firms in the respective panel of Auditors published in the Departmental Website.

(10) The Director of Cooperative Audit shall coordinate with the Cooperative societies and Auditors / Auditing Firms and issue such directions so as to ensure the completion of Audit as scheduled. Any problem arising in timely completion of Audit shall be referred to the Director of Cooperative Audit who shall arrange for its redressal and issue necessary direction to the concerned.

(11) The audit report shall also contain schedules and statements with particulars of :-

- All transactions which appear to be contrary to be provisions of the Act, the rules or the byelaws of the co-operative society;
- All transactions which appear to be contrary to the guidelines issued by the Reserve Bank of India and National Bank;
- Schedules and statements as in rule 29(3), duly verified and certified.

(12) The Director of Cooperative Audit shall be competent to issue necessary guidelines to the Auditors or Auditing Firms for the purpose of ensuring timely completion of Audit.

(13) The Director of Co-operative Audit shall update the list of Co-operative Societies of every district as on 1<sup>st</sup> of April every year, reconcile it with that of the Registrar of Co-operative Societies of that District.

**29C. Audit of a Cooperative Society which is under liquidation.**– Where a society is under liquidation, the liquidator shall convene a General Body Meeting which shall appoint an Auditor or Auditing Firm out of the list of eligible Auditor or Auditing Firm published in the Departmental Website. Where it is not possible to convene the general body meeting the liquidator shall follow the procedure in Rule 33(i).

**29D. Submission of the Audit Report of an Apex society to the Government.**– For the purposes of sub-section (11) of section 63, the Director of Co-operative Audit shall submit a copy of the audit report of an Apex Co-operative Society to the State Government to lay before the State Legislature.

**29E. Requisition for Re-audit of an account by the General body.**– When the General Body of a Co-operative Society resolves to provide for re-audit of any account of the society under sub-section (12) of Section 63, it shall appoint a different Auditor or Auditing Firms out of the respective panel of Auditors for conducting such re-audit. The cost of such re-audit shall be borne by the co-operative society.

**29F. Re-audit of the accounts by the order of the state Government.**– When the State Government orders for the re-audit of the accounts of co-operative society, the Director of Co-operative Audit shall arrange for such re-audit by a different Auditor or Auditing Firms. The cost of such re-audit shall be borne by the co-operative society.

**18. Substitution of rule 30.**– For rule 30 of the said rule the following shall be substituted namely, -

**"30. Remuneration payable to the auditor or auditing firm.**– The remuneration payable to an Auditor or Auditing Firm for auditing the accounts of a co-operative society of any co-operative year shall be fixed by the General body of that society based on the Working Capital and Turnover as per guidelines issued by the Director of Co-operative Audit from time to time".

**19. Insertion of new rule 30A:**– After Rule 30, the following rule shall be inserted; namely:-

**"30A Remittance of Audit Fee:**– In the event of a Co-operative Society failing to pay the remuneration payable to the Government or an auditor under the provisions of Rule 30, the Director of Co-operative Audit may call upon the bank where the concerned Co-operative Society has maintained its account to remit the outstanding amount of remuneration to the Government. On receipt of such demand, the bank shall remit the sum as audit remuneration to the Government or the concerned auditor out of the amount at the credit of society. The bank shall comply with the directions issued by the Director of Co-operative Audit and shall also furnish a certificate to the Director of Co-operative Audit indicating the particulars of the remittance. Further the same procedure will be followed if any payment of remuneration is due to any Chartered Accountant and Chartered Accountant's Firms".

**20. Amendment of rule 31.**– In rule 31 of the said rules, for sub rule (2), the following shall be substituted, namely, -

"(2) No co-operative society shall spend any money out of the funds of the cooperative society, disputes relating to the election of any of its members referred to the Civil Court."

**21. Omission of Chapter IXB.-** Chapter IXB of the said rules shall be omitted.

**22. Omission of rule 51.-** Rule 51 of the said rules shall be omitted.

**23. Amendment of rule 53.-** in rule 53 of the said rules,-

(i) in sub rule (1), for the words “two months”, the words “one month” shall be substituted.

(ii) for sub rule (2), the following shall be substituted; namely:-

“(2) Any other statements, returns and information which the Registrar requires under section 27B and any other statements and returns which the Auditor or Auditing firm requires under sub section (7) of section (63) shall also be furnished to the Registrar or the Auditor as the case may be”

(iii) for sub-rule (2A) and (3), the following shall be substituted; namely :-

“(3) After the auditor or auditing firm has verified the statements of accounts along with the relevant books and records and furnished the audited financial statements along with the accompanying audit report by the first day of September of every year, the society shall publish the audited financial statements as required under the law.”

(iv) sub rule (4) shall be omitted.

By order etc....

**Form XI**

[See Rule 14(1)]

**NOTIFICATION**

No.

Date: .....

Whereas elections are to be held to the boards of the cooperative societies whose registered offices are situated in the district of .....under the provisions of Karnataka Cooperative Societies Act, 1959 and Karnataka Cooperative Societies Rules 1960 from the various areas or constituencies as specified in their bye-laws:

\*(1) to fill the seats of the directors of the board of the primary/secondary/federal/apex cooperative societies, where the terms of office of the boards are expiring on .....(indicate date)....., before that date.

\*(2) To fill the vacancy caused by the death / resignation / disqualification / or due to any other reason of ..... area / constituency having become vacant / having been declared vacant.

Now therefore in pursuance of the powers vested under Rule 14(1) of Karnataka Cooperative Societies Rules, 1960, I ..... District Election Officer of ..... district hereby fixes the following calendar in respect of the said elections.

| Sl. No. | Category of Cooperative Societies | Period of elections                                                                                                    |
|---------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------|
| 1       | Primaries                         | The returning officers shall determine the day and date of the elections and publish the calendar of events separately |
| 2       | Secondaries                       |                                                                                                                        |
| 3       | Federal                           |                                                                                                                        |
| 4       | Apex                              |                                                                                                                        |

District Election Officer

\* Score out the clause not applicable

**Form XII**

[See Rule 14(3)]

**Notice of Election**

Notice is hereby given that a general election of directors to the board.....  
society..... / election to fill up a casual vacancy on the board of.....

will be held on ..... date ..... between 9.AM and 4PM at  
..... place from ..... area / constituency reserved for  
Backward Classes /Scheduled Castes/ Scheduled Tribes and Women.

Notice is also hereby given that the calendar of events for the said election shall be  
as under:

|     |                                                                                                        |                                                                                        |
|-----|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| (a) | the last date for receipt of nomination papers from the intending candidates<br>(Rule 14A)             | On seventh clear day before the date of election.<br><br>(date & time to be indicated) |
| (b) | the scrutiny of the nomination papers by the Returning officer<br>(Rule 14B)                           | On sixth clear day before the date of election.<br><br>(date & time to be indicated)   |
| (c) | the publication of the list of validly nominated candidates by the Returning officer<br>(Rule 14B(4) ) | On sixth clear day before the date of election.<br><br>(date & time to be indicated)   |
| (d) | the last date for withdrawal of nomination papers by the contesting candidates<br>(Rule 14C)           | On fifth clear day before the date of election.<br><br>(date & time to be indicated)   |
| (e) | the publication of the list of valid contesting candidates by the Returning officer<br>(Rule 14D)      | On fifth clear day before the date of election.<br><br>(date & time to be indicated)   |
| (f) | allotment of symbols by the returning officer to the candidates if required<br>(Rule 14E)              | On fifth clear day before the date of election.<br><br>(date & time to be indicated)   |
| (g) | publication of the list of validly contesting candidates with symbols<br>(Rule 14E & 14F)              | On third clear day before the date of election.<br><br>(date & time to be indicated)   |
| (h) | the date and time of poll                                                                              | date-.....<br><br>time- 9AM to 4PM                                                     |
| (i) | the date and time of the counting                                                                      | immediately after the close of the polling hours on the polling day itself             |
| (j) | declaration of the results by the returning officer                                                    | immediately after the close of the counting on the polling day itself.                 |

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

(e) the area or the constituency (specified in the byelaws) from which the directors are to be elected;

(f) the qualifications, if any, specified in the Act, rules or the byelaws for eligibility for membership of the board;

(g) the disqualifications, specified in the Act, rules or the byelaws for being elected as a member of the board.

And .....

Place : .....

Date : .....

Returning Officer

**Form XIII**

[See Rule 14A(1)]

**Nomination paper**

Election of directors to the board of ..... cooperative society ltd.,.....from area or constituency

I nominate Sri/Smt ..... as a candidate for election of directors to the board of ..... cooperative society ltd.,..... from ..... area / constituency reserved for backward classes / schedule castes / schedule tribes /women.

\*Candidate's Name :

His/ Her father's name/ husband's name :

Postal Address :

Name of the cooperative society of which he is a delegate:

His/ her name is entered at Sl.No ..... in \*\*part no.....of the electoral roll of the society for the ..... area / constituency.

My name is ..... and it is entered at Sl. No..... in part No..... of the electoral roll for the ..... area / constituency.

Date :.....

Signature of the proposer

---

\*candidate may be-

- (i) an individual member of the cooperative society; or
- (ii) a representative of a group of members of a cooperative society; or
- (iii) a delegate of a member cooperative society

\*\*Part I-A-Individual members with right to vote of a primary cooperative society

B- Representatives with right to vote of a group of members of a primary cooperative society

Part II-A- Individual members and delegates of member societies with right to vote of a secondary cooperative society.

B- Representatives of a group of members and delegates of member societies with right to vote of a secondary cooperative society.

Part III-Delegates of member cooperative societies of a federal/apex cooperative society

**DECLARATION BY THE CANDIDATE**

I, the above mentioned candidate assent to the nomination and hereby declare to the best of my knowledge and belief

- (a) That I have completed..... years of age.
- (b) That I am a Woman
- (c) That I am member of ..... class/caste/tribe which is backward class / scheduled caste / scheduled tribe. Certificate issued in my favour by the competent authority is enclosed.
- (d) That I do not have any disqualification to be elected as director to the board of the cooperative society under the Act, the rules or the bye-laws.
- (e) That I do possess the requisite qualifications for being elected as director to the board of the cooperative society under the Act, the rules or the bye-laws.
- (f) That the symbols I have chosen in the order of preference are

- (i).....  
(ii)..... and  
(iii).....

Date..... Signature of the Candidate

(To be filled by Returning Officer)

Serial number of nomination paper.....  
This nomination was delivered to me at my office at ..... (hour) on  
..... (date) by the candidate ..... (name)

Date..... Returning Officer

Form XIV

[See Rule 14B(4)]

List of validly nominated candidates

Election of directors to the board of..... cooperative  
society..... from..... area / constituency  
reserved for Backward Classes/ Scheduled Castes/ Scheduled Tribes/Women.

| Sl No. | Category | Name of the Candidate | Name of the father/ husband | Address of the candidate |
|--------|----------|-----------------------|-----------------------------|--------------------------|
| 1      | 2        | 3                     | 4                           | 5                        |
|        | General  |                       |                             |                          |
|        | BC       |                       |                             |                          |
|        | SC/ST    |                       |                             |                          |
|        | Women    |                       |                             |                          |
|        |          |                       |                             |                          |

Place : .....  
Date : ..... Returning Officer

Form XV

[See Rule 14C(1)]

Notice of Withdrawal

Election of directors to the board of..... cooperative  
society..... from..... area / constituency  
reserved for Backward Classes /Scheduled Castes/ Scheduled Tribes/ Women.

To :  
  
The Returning Officer,  
.....  
.....  
.....  
  
I, ..... a candidate validly nominated at the above  
election do hereby given that I withdraw my candidature.

Place : .....  
Date : ..... Signature of the Candidate

**Receipt of Notice of Withdrawal**

(To be handed over to the person delivering the notice)

The notice of withdrawal of candidature by .....a validly nominated candidate at the election to the board of..... cooperative society from..... area / constituency was delivered to me by the candidate..... at my office ..... (hour) on .....(date).

Place : .....

Date : .....

Returning Officer

**Form XVI**

[See Rule 14D(1) & 14E(4)]

**List of Contesting Candidate/s**

Election of directors to the board of..... cooperative society..... from..... area / constituency reserved for Backward Classes /Scheduled Castes/ Scheduled Tribes/ Women.

| Sl No. | Name of the Candidate | Address of the Candidate | Symbol allotted |
|--------|-----------------------|--------------------------|-----------------|
| 1      | 2                     | 3                        | 4               |

1.

2.

3.

4.

Place : .....

Date : .....

Signature of Returning Officer

**Form XVII**

[See Rule 14(L) (1)]

**Counterfoil**

Election to the directors/ representative of ..... Coop. Society

Name of the area /constituency ..... Serial No. of the member/ representative/delegate .....

Signature or thumb impression of member/representative/delegate .....

**Perforation**

Election to the directors/representative of .....Coop. Society.

Name of the area /constituency

**Form XVIII**

[See Rule 14V]

**Ballot Paper Account**

Election of the directors/representative of the ..... (name of the Co-operative Society).

Name of the Polling Station.....

1. Ballot Papers received/Printed

SI No.

From

To

Total .....

2. Ballot Papers unused (i.e. not issued to the voters)

(a) with the signature of the P.O. :

(b) without the signature of the P.O. :

Total (a+b) .....

3. Ballot papers used at the polling station

Total (1-2)=3

4. ballot papers issued but not inserted in the ballot box

a) ballot papers cancelled for violation of voting procedure :

b) ballot papers cancelled for any other reason :

Total (a+b) .....

5. Ballot papers to be found in the ballot box

(3-4= 5) .....

Signature of the Presiding Officer

### **Form XIX**

[See Rule 14G(2)]

#### **Declaration of Results of Election (To be used when the seat is uncontested)**

Election of directors to the board of..... cooperative society.....  
from..... area / constituency reserved for Backward Classes / Scheduled  
Castes/ Scheduled Tribes/ Women.

In pursuance of the provisions contained in Rule 14G of the Karnataka  
Cooperative Societies Rules, 1960, I declare that :

Name .....  
Address.....  
.....

has been duly elected to fill the vacancy to the said cooperative society from the  
above area / constituency.

Place : .....

Date : .....

Signature of Returning Officer

### **Form XX**

[See Rule 14G(3)]

#### **Declaration of Results of Election (to fill casual vacancy when the seat is uncontested)**

Election of directors to the board of..... cooperative  
society..... from..... area / constituency reserved for Backward  
Classes / Scheduled Castes/ Scheduled Tribes/ Women.

In pursuance of the provisions contained in Rule 14G of the Karnataka  
Cooperative Societies Rules, 1960, I declare that :

Name .....  
Address.....  
.....

has been duly elected to fill the vacancy caused in that cooperative society by the

Disqualification of.....

Resignation of .....

Death of .....

Election of ..... been declared void,

Seat of ..... area / constituency having become vacant/ having been declared vacant.

Place : .....

Date : .....

Signature of Returning Officer

**Form XXI**

[See Rule 14X(2)]

**FINAL RESULT SHEET**

Election of directors to the board of..... cooperative society..... from..... area / constituency reserved for Backward Classes / Scheduled Castes/ Scheduled Tribes/ Women.

| Polling Station<br>Number | Total voters found in<br>the Ballot box (es) |
|---------------------------|----------------------------------------------|
|---------------------------|----------------------------------------------|

1.  
2.  
3.  
4.  
5. and so on

-----  
Total

-----  
**Total Number of valid votes recorded**

| Candidate | Valid votes<br>polled | No. of rejected<br>papers | Valid votes<br>secured |
|-----------|-----------------------|---------------------------|------------------------|
| 1         | 2                     | 3                         | 4                      |

-----  
Place : .....

Date : .....

Returning Officer

**Form XXII**

[See Rule 14Y]

**Declaration of Result of Election**

(To be used when a seat is contested)

Election of directors to the board of..... cooperative society..... from..... area / constituency reserved for Backward Classes / Scheduled Castes/ Scheduled Tribes/ Women.

In pursuance of the provisions contained in Rule 14AB of the Karnataka Cooperative Societies Rules 1960, I declare that :

1. Sri/ Smt ..... ( Name)  
..... (Address)  
.....

has been duly elected to fill the seat from the above area / constituency.

Returning Officer

**Form XXIII**

[See Rule 14Z]

**Certificate of Election**

Election of directors to the board of..... cooperative society.....  
from..... area / constituency of .....hereby certify that I have on  
..... day of..... 20.... Declared Sri/Smt.....

to have been duly elected by ..... area / constituency to be the director from  
the said area / constituency and that in a token thereof I have granted to him/ her  
this Certificate of Election.

Place : .....

Returning Officer

Date : .....

**Form XXIV**

[See Rule 14AG (4)]

**Nomination for the election of office-bearers of.....  
cooperative society**

- 1) Office for which contesting
- 2) Name of the candidate
- 3) Serial number in the register of members
- 4) Father's or husband's name of the candidate
- 5) Address of the candidate
- 6) Name of the proposer
- 7) Serial number of the proposer in the register of members
- 8) Signature of the proposer
- 9) Name of the seconder
- 10)Serial number of the seconder in the register of members
- 11)Signature of the seconder

**DECLARATION BY THE CANDIDATE**

I declare that I am willing to stand for election to the office of the chairperson /  
vice chairperson or any other office-bearer (specify) and to the best of my  
knowledge and belief

(a) That I have completed..... years of age.

(b) That I am a Woman

- (c) That I am member of ..... class/caste/tribe which is backward class / scheduled caste / scheduled tribe.
- (d) That I do not have any disqualification to be elected as director to the board of the cooperative society under the Act, the rules or the bye-laws.
- (e) That I do possess the requisite qualifications for being elected as director to the board of the cooperative society under the Act, the rules or the bye-laws.

Date.....

Signature of the Candidate

---

(To be filled by Returning Officer)

This nomination was delivered to me at ..... (hour) on ..... (date) by the candidate ..... (name)

Date.....

Place.....

Returning Officer

By order and in the name of the Governor of Karnataka

**G.S. RAMANAREDDY**

Officer on Special Duty & Ex-officio

Joint Secretary to Government

Co-operation Department



# ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ

ಅಧಿಕೃತವಾಗಿ ಪ್ರಕಟಿಸಲಾದುದು  
ಬಿಶೇಷ ರಾಜ್ಯ ಪತ್ರಿಕೆ

|            |                                                                     |         |
|------------|---------------------------------------------------------------------|---------|
| ಭಾಗ- IV-A  | ಬೆಂಗಳೂರು, ಶನಿವಾರ, ಜೂನ್ ೦೬, ೨೦೧೫ (ಜೈಷ್ಠ ೧೬, ಶಕ ವರ್ಷ ೧೯೩೭)            | ನಂ. ೬೪೪ |
| Part- IV-A | Bengaluru, Saturday, June 06, 2015 (Jyeishta 16, Shaka Varsha 1937) | No. 644 |

## CO-OPERATION SECRETARIAT NOTIFICATION

No: CO 226 CLM 2014, Bengaluru, dated: 06.06.2015

Whereas the draft of the Karnataka Co-operative Societies (Amendment) Rules, 2015 was published as required by sub-section(1) of section 129 of the Karnataka Co-operative Societies Act, 1959 (Karnataka Act No. 11 of 1959) in notification No.CO 226 CLM 2014, dated 24.02.2015 in part IV-A of the Karnataka Gazette dated 24.02.2015 inviting objections and suggestions from all persons likely to be affected thereby within thirty days from the date of its publication in Official Gazette.

And whereas the said Gazette was made available to public on 24.02.2015.

And whereas objections and suggestions received in this behalf by the State Government, have been considered.

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 129 of the Karnataka Co-operative Societies Act, 1959 (Karnataka Act No. 11 of 1959) the Government of Karnataka hereby makes the following rules, namely:-

### RULES

**1. Title and Commencement.-** (1) These Rules may be called the Karnataka Co-operative Societies (Amendment) Rules, 2015.

(2) They shall come into force from the date of their publication in the Official Gazette.

**2. Amendment of Rule 2.-** In the Karnataka Co-operative Societies Rules, 1960 (hereinafter referred to as the said rules) in Rule 2,-

(i) in clause (aa), for the word, "fee", the word, "remuneration" shall be substituted.

(ii) for clause (i-1), the following shall be substituted, namely:-

"(i-1) **Election Officer** means an officer appointed by the Cooperative Election Authority as the District/Region/ State-election Officer as the case may be, for a specified period other than Jurisdictional Assistant Registrar / Deputy Registrar / Joint Registrar of Co-operative Societies."

(iii) for clause (i-2) the following shall be substituted, namely,-

"(i-2) **Returning Officer**" means an officer of the State Government or local authority other than jurisdictional Assistant Registrar / Deputy Registrar / Joint Registrar of Co-operative Societies appointed by the Co-operative Election Authority or Election Officer as Returning Officer for the respective Co-operative Societies but includes an Assistant Returning Officer performing any of the functions of the Returning Officer."

**3. Substitution of the word "Authority",**- In the said Rules, for the word, "Commission" wherever it occurs, the word, "Authority" shall be substituted.

**4. Insertion of Rule 3B-** After Rule 3A of the said Rules, the following shall be inserted, namely,-

**"3B. Factors to be considered by Registering Authority at the time of registration,-** The Registering Authority, while according permission for the collection of initial share capital at the time of registration of a Co-operative Society, shall consider the following namely,-

- population in the area of operation of the proposed Co-operative Society;
- assessment of economic and financial feasibility like collection of share, funds from the share holder;

- (iii) overlapping of the existing similar Co-operative Societies;
- (iv) whether the draft bye-laws are in accordance with the provisions of Act and Rules;"

**5. Amendment of Rule 6.-** In Rule 6 of the said Rules,-

- (i) in Sub-Rule (3), for clause (bb), the following shall be substituted, namely:-  
 "(bb). a treasury challan or Demand Draft in favour of the Registrar for having remitted the fee specified below:-

| Jurisdiction of Societies                    | Amount of fees |
|----------------------------------------------|----------------|
| If the area of operation of a Society is.-   |                |
| (1) less than a taluk                        | Rs.400/-       |
| (2) taluk and above but less than a district | Rs.1000/-      |
| (3) district and above but less than region  | Rs.2,000/-     |
| (4) Region and above                         | Rs.5,000/-"    |

- (ii) after Sub-Rule (5), the following shall be inserted, namely:-

"(6). Where the Registrar proposes any amendment to the bye-laws of a Co-operative Society under Sub-Section (5) of section 12, the authority competent to convene the general meeting shall place such proposal before the annual or special general meeting, as the case may be, and a decision on such proposal shall be taken at such meeting and the Co-operative Society shall carry out amendment of bye-laws as directed by the Registrar as per section 12(5) of the Act."

**6. Insertion of Rule 8A:-** After Rule 8 of the said Rules, the following shall be inserted, namely,-

"8A. **Prohibition of enhancement of share value.-** No Co-operative Society shall enhance its share value six months prior to the date of election of the board."

**7. Amendment of Rule 13B:-** In Rule 13B of the said Rules,-

- (a) in sub-rule (3),-

- (i) for clause (b), the following shall be substituted, namely,-

"(b)- if he is not in service, he shall be paid a salary drawn with basic pay at the last pay drawn of the pay scale applicable to Principal Secretary or Secretary to the Government from time to time after reducing the pension amount from total emoluments drawn."

- (ii) for clause (c), the following shall be substituted, namely,-

"(c) the conditions of service relating to the payment of travelling allowance, house rent allowance, conveyance facilities, sumptuary allowance, medical facilities, leave facilities shall be as applicable to a Principal Secretary or Secretary to the State Government. Government shall be competent to sanction his leave."

- (b) in sub-rule(4), clause (b) and clause (c), shall be omitted.

- (c) sub-rule (5) shall be omitted.

**8. Insertion of Rule 13BB:-** After Rule 13B of the said Rules, the following shall be inserted, namely,-

"**13BB- Appointment of Election Officer-** The Cooperative Election Authority shall appoint an election officer for each district/region/state as the case may be, for a specified period. The Election Officer shall ordinarily be from the Revenue Department for Federal and Apex Co-operative Societies and from the Co-operative Department for other societies."

**9. Substitution of Rule 13C:-** for Rule 13C of the said Rules, the following shall be substituted, namely,-

"**13C. Conduct of general elections to the board. -** (1) The Government may advise the Election Authority on the suitability of dates for conducting elections as per sub section 2 of Section 39-A of the Act for administrative reasons to be recorded in writing.

(2) Subject to the general superintendence and directions of the Co-operative Election Authority, the Chief Executive of the society shall prepare electoral roll for election to the cooperative society. The list so prepared by the Chief Executive shall be verified and approved by the Election Officer."

**10. Amendment of Rule 13D,-** In Rule 13D of the said Rules,-

- (a) in sub-rule(1), the words, "the district" shall be omitted.;

- (b) in sub-rule(2),-

- (i) for the words, "election officer of the district", the words, "Election Officer" shall be substituted.

- (ii) the words, "in the district" shall be omitted.;

- (c) in sub-rule(3),-

- (i) for the words, "Co-operative Election Commission", the words, "Election Officer" shall be substituted.;

- (ii) in clause (b), in the proviso, the words, "and such other prominent places having access to the members and delegates of the co-operative society" shall be omitted.;

- (d) for clause (d), the following shall be substituted, namely,-

"(4) It shall be the duty of every society to furnish correct information required by the election officer to enable him to approve the electoral rolls as directed by the Co-operative Election Authority."

**11. Amendment of Rule 13E:-** In Rule 13E of the said Rules,-

(i) in sub-rule (1), for the words, "the Co-operative Election Commission" the following shall be substituted, namely,- "in respect of secondary, federal and apex cooperative societies, the Co-operative election authority, and in respect of primary cooperative societies, the election officer shall appoint a returning officer and one or more assistant returning officers as may be required."

(ii) after sub-rule(1), the following shall be inserted, namely,-

"(1A) The Co-operative Election Authority / The election officer as the case may be shall appoint returning officers by randomization".

(iii) in sub-rule(2),-

(a) in sub-clause (i), for the words, "approval of the Co-operative Election Commission", the words, "supervision of the Co-operative Election Authority / The Election Officer as the case may be shall be substituted.;

(b) in sub-clause (ii), the words, "in such manner as the CEC may direct" shall be omitted.;

(c) in sub-clause (iii), after item (a), the following shall be inserted, namely,-

"(aa) by courier; or";

(d) in sub-clause (iv), in item (c), for the word, "qualification" the word, "eligibility" shall be substituted.;

(e) in sub-clause (vi), for item (f), the following shall be substituted, namely,-

"(f) make arrangement for appointment of polling personnel.";

(f) in sub-clause (viii), for the words, "approval of the co-operative election commission" the words, "approval of the Co-operative Election Authority / the Election Officer as the case may be" shall be substituted.;

**12. Amendment of Rule 13F:-** In Rule 13F of the said Rules,-

(a) in sub-rule(1), for the words, "the district election officer" the words, "the returning officer" shall be substituted.;

(b) in sub-rule(6), for the words, "by the Co-operative Election Commission" the words, "by the Co-operative Election Authority / the Election Officer as the case may be" shall be substituted.

**13. Amendment of Rule 14:-** In Rule 14 of the said Rules,-

(i) in sub-rule(2), -

(a) in clause (i), for the word, "Seventh", the word, "Seven" shall be substituted.

(b) in clause (iv), after the words, "the hours" the words and figure "between 9.00 A.M. to 4.00 P.M." shall be inserted.;

(ii) in sub-rule(3), in item(b), after the words, "and the hours" the words and figure, "between 9.00 A.M. to 4.00 P.M." shall be inserted.

**14. Amendment of Rule 14A:-** In Rule 14A of the said Rules,-

(a) in sub-rule(1), after the words, "the returning officer", the words, "or the assistant returning officer" shall be inserted.;

(b) in sub-rule(2), in item (i), the words, "who desires to contest for the seat reserved for backward classes, scheduled caste and scheduled tribe shall submit a valid caste certificate issued by the competent authority" shall be inserted at the end;

(c) in sub-rule(4), after the words, "Returning Officer" the words, "or assistant returning officer" shall be inserted.

(d) in sub-rule (5), after the words, "Returning Officer" the words "or assistant returning officer" shall be inserted.

**15. Amendment of Rule 14B:-** In Rule 14B of the said Rules, in Sub-Rule (1) for the words, "give them all reasonable facilities to examine the nomination papers of all the candidates which have been delivered" , the words, "provide them an opportunity to give objections" shall be substituted.

**16. Amendment of Rule 14C:-** In Rule 14C of the said Rules,-

(a) in sub-rule(1), after the words, "the Returning Officer", wherever it occurs the words, "or Assistant Returning Officer" shall be inserted.;

(b) in sub-rule(2), after the words, "the Returning Officer", wherever it occurs the words, "or Assistant Returning Officer" shall be inserted.

**17. Amendment of Rule 14L:-** In Rule 14L of the said Rules, after sub-rule(2), the following shall be inserted, namely,-

"(2A) separate ballot paper shall be printed for each constituency or seat as the case may be, if necessary."

**18. Amendment of Rule 14N:-** In Rule 14N of the said Rules, for item (d), the following shall be substituted, namely,-

"(d) either the candidate or his authorized agent."

**19. Amendment of Rule 14Q:-** In Rule 14Q of the said Rules, in sub-rule(1), for the words, "distinguishing marks", the words, "society's seal with signature of returning officer" shall be substituted.

**20. Amendment of Rule 14W:-** In Rule 14W of the said Rules, in sub-rule (2), for the words, "candidates or of his authorized agents", the words "either the candidate or his authorized agent" shall be substituted.

**21. Amendment of Rule 14AB:-** In Rule 14AB of the said Rules,-

(i) in sub-rule(1), for the words, "such custody as the CEC may direct", the words, "in the custody of the chief executive of such Co-operative Society" shall be substituted;

(ii) in sub-rule(2), for the words, "Returning Officer" the words, "the chief executive" shall be substituted.

**22. Amendment of Rule 14AF:-** In Rule 14AF of the said Rules, after the words, "its occurrence," the words, "if the remaining term of the office of the board is more than half of its original term" shall be inserted.

**23. Amendment of Rule 14AG:-** In Rule 14AG of the said Rules,

(i) in sub-rule(3), after the words, "by registered post," the words, "or personal delivery under acknowledgement" shall be inserted.

(ii) after the words, "Returning Officer", the words, "or to the assistant returning Officer" shall be inserted.

**24. Amendment of Rule 14AJ:-** In Rule 14AJ of the said Rules,-

(a) in sub-rule(2), in clause (a), after the words, "by ordinary post; or", the words, "by bulk post; or by courier" shall be inserted.;

(b) in sub-rule (5), for the words, "twenty percent", the words, "ten percent or thousand in numbers whichever is less" shall be inserted.

**25. Amendment of Rule 14AK:-** In Rule 14AK of the said Rules, in sub-rule(4), after the word "meeting of the board" the words, "the members who are all attending the meeting shall sign in the Book kept for the purpose before commencement of the board meeting" shall be inserted.

**26. Amendment of Rule 14AL:-** In Rule 14AL of the said Rules, for the words, "CEC", the word, "Government" shall be substituted;

**27. Insertion of Rule 14ALA:-** After Rule 14AL of the said Rules, the following shall be inserted, namely,-

**"14ALA. Rotation of backward classes seats.-** Two seats reserved for backward classes shall be filled up as following, namely,-

(i) all the seats for the first term shall be filled by candidates from category 'A' and

(ii) all the seats for the second and third term shall be filled by candidates from category 'A' and 'B' and

(iii) all the seats for the fourth term shall be filled up by candidates from category 'A' ;

and this process shall be continued sequentially.

Provided that the Registrar of Co-operative Societies shall issue clarifications / directions/instructions in this regard, if necessary."

**Explanation:-** Backward classes consisting of category "A" and "B" means as prescribed in Karnataka Panchayat Raj Act."

**28. Amendment of Rule 14AM:-** In Rule 14AM of the said Rules,- after sub-rule (16), the following shall be inserted, namely,-

"(17) If any decision or resolution is taken by the board of a Co-operative Society in clear contravention of the Act, Rules or byelaws, such decisions shall not be carried out and the Chief Executive shall report the matter to the jurisdictional Registrar".

**29. Amendment of Rule 15:-** In the heading and Rule 15 of the said Rules, for the words, "Special Officer", wherever it occurs, the words, "Administrator or special officer" shall be substituted.

**30. Amendment of Rule 17:-** In Rule 17 of the said Rules,-

(a) in sub-rule (1),-

(i) in the first proviso, for the words, "prior approval of the Registrar shall be obtained for any such determination of or increase in the scale of pay and other allowance", the words, "prior approval of the Government shall be obtained for any such determination and prior approval of the Registrar shall be obtained for increase in the scale of pay and other allowances" shall be substituted.

(ii) the following provisos shall be inserted at the end, namely,-

"Provided also that,-

(a) the cadre strength of the Cooperative Societies in case of agricultural credit structure shall not exceed the limit specified by the National Bank for Agriculture and Rural Development, Human Resources Policy, if specified.;

(b) the cadre strength of the Karnataka Milk Federation and District Milk unions shall be in accordance with the National Dairy Development Board, if specified.;

- (c) the cadre strength in case of urban banks shall not exceed the limits specified by the Reserve Bank of India or method adopted by the nationalized banks.;
- (d) the cadre strength of other cooperative societies shall not exceed the limit specified by the Registrar.

Provided also that, subject to sub-rule (1), in the absence of guidelines by National Bank for Agriculture and Rural Development, Reserve Bank of India, National Dairy Development Board, the Registrar of Co-operative Societies shall specify such guidelines."

(b) in sub-rule(2), after the words, "specified against them" the words, "The designation and qualification of the chief executive officer of agriculture credit structure, Karnataka Milk Federation and district milk union, urban banks shall be as specified in the Annexure and in respect of other societies, the Registrar of Co-operative Societies shall specify such guidelines" shall be substituted.

(c) for sub-rule(4), the following shall be substituted, namely,-

"(4). The managing board of a co-operative society may engage persons on "Out Source" basis in the exigency of service of the co-operative society, for a period which ordinarily shall not exceed eleven months."

**31. Insertion of Rule 17A,-** After Rule 17 of the said Rules, the following shall be inserted, namely,-  
**"17A. Constitution of recruitment committee for direct recruitment,-** (1) The recruitment committee for direct recruitment, shall be as following, namely,-

|       |                                                                                                                                                                             |                  |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| (i)   | President of the concerned Co-operative Societies                                                                                                                           | President        |
| (ii)  | One Director to be selected by the Board of that Society                                                                                                                    | Member           |
| (iii) | Registrar of Co-operative Societies or his nominee not below the rank of Assistant Registrar of Co-operative Societies                                                      | Member           |
| (iv)  | One Expert with experience in the field of cooperation with particular reference to the activities of the Co-operative society to be nominated by the board of that society | Member           |
| (v)   | The Chief Executive of the society                                                                                                                                          | Member Secretary |

(2) The minimum quorum for the meetings shall be three.

**32. Insertion of Rule 20A,-** After Rule 20 of the said Rules, the following shall be inserted, namely,-  
**"20A. Funds of Karnataka State Co-operative Urban Banks Federation:-** (1) Every Urban Co-operative Bank shall contribute 1% of its net profit to the Karnataka State Co-operative Urban Banks Federation within thirty days from the date of its Annual General Meeting.

(2) The amount so contributed under in sub-rule (1) shall be maintained and administered by the Karnataka State Co-operative Urban Banks Federation and shall be utilized as advised by the advisory committee consisting of :-

|     |                                                                                                                                  |                   |
|-----|----------------------------------------------------------------------------------------------------------------------------------|-------------------|
| (a) | President, Karnataka State Co-operative Urban Banks Federation                                                                   | -President        |
| (b) | Presidents of four Urban Co-operative banks nominated for such period by the Karnataka State Co-operative Urban Banks Federation | -Member           |
| (c) | Regional director, Regional Institute of Co-operative Management Bangalore.                                                      | -Member           |
| (d) | Registrar of Co-operative Societies or his nominee not below the rank of Assistant Registrar of Co-operative Societies           | -Member           |
| (e) | Chief Executive, Karnataka State Co-operative Urban Bank's Federation                                                            | -Member Secretary |

(3) The quorum for a meeting of the Advisory Committee shall be five. The advisory committee shall convene a meeting atleast once in three months.

(4) sub rule (7) to (9) of rule 20 shall mutatis – mutandis apply to the Advisory Committee also."

**33. Amendment of Rule 24,-** After Rule 24 of the said Rules, the following shall be inserted, namely,-

**"24A. Transfer of surplus fund and assets of liquidated society.-** Notwithstanding anything contained in rule 24 and 33, the surplus amount available or undisposed immovable property is left with the liquidated society, the liquidator shall transfer the surplus fund to the co-operative development fund and the immovable property to Government as directed by the Registrar of Co-operative Societies.

**34. Insertion of Rule 28D,-** After Rule 28C of the said Rules, the following shall be inserted, namely,-

**"28D. Foreign tour of Office bearers and members of Co-operative Society,-** The provisions relating to foreign tours of office-bearers and members shall be as following namely,-

- (1) Foreign tour by a director or an office bearer of a Co-operative Society shall not be considered more than twice in their tenure with prior permission of the Government.;
- (2) If the director is on two boards, he shall not undertake foreign tour from both the societies during the same tenure.;
- (3) Foreign tour by chief executive or Officer or Official of a Co-operative Society shall not be considered more than twice in five years with the prior permission of Government.;
- (4) Foreign tour by the members of a Co-operative Society shall not be considered more than twice in five years.
- (5) The above foreign study tour shall be to acquire special knowledge and skills improvement, to attend workshop, seminar also.

Provided the above proposals of such Co-operative Societies which are in continuous profit during last three years and where there is no accumulated loss shall only be considered for foreign tours."

**35. Amendment of Rule 29,-** In Rule 29 of the said Rules,-

- (i) in sub-rule (2), in clause (a), for the word, "and taken", the word "**undertaken**" shall be substituted.

**36. Amendment of Rule 29B,-** In Rule 29B of the said Rules,-

- (a) sub-rule(1), after the word, "Chartered Accountant firm", the word, " and Cost Accountants and Cost Accountant Firms" shall be inserted.

- (b) for sub-rule (3), the following shall be substituted, namely,-

| Sl. No.    | Categories of societies                                                                                                          | Panel of Chartered Accountant and Chartered Accountants Firms and Departmental Auditors eligible for audit And Cost Accountants and Cost Accountants Firms                                                                                                   |
|------------|----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1</b>   | Group "A" Societies having more than Rs.25 crores of working capital/turnover.                                                   | Chartered Accountants and Chartered Accountant Firms And Cost Accountants and Cost Accountants Firms having minimum of ten years experience and officials of the Department of Cooperative Audit not below the rank of deputy director of cooperative audit. |
| <b>2</b>   | Group "B" Societies having more than Rs.10 crores of working capital/turnover and below Rs.25crores of working capital/turnover. | Chartered Accountants and Chartered Accountant Firms And Cost Accountants and Cost Accountants Firms. having minimum of five years experience and officials of the Department of Co-Operative Audit, having Minimum of five years Experience.                |
| <b>3.a</b> | Group; "C" Societies having less than Rs.10 crores of working capital/turnover, grouped into district-wise lists.                | Chartered Accountants and Chartered Accountant Firms And Cost Accountants and Cost Accountants Firms. having minimum of three years experience and officials of the Department of Co-operative Audit, Grouped into district wise panels                      |

Auditors listed against 'A' Category Societies may Audit 'B' and 'C' Category Societies and Auditors listed against 'B' Category may audit of 'C' Category Societies.

**Note:** District Central Co-operative Banks and Apex Bank shall select Chartered Accountants or Chartered Accountants Firms from the panel of auditors prepared and maintained by the National Bank."

**37. Insertion of Rule 29G,-** After Rule 29F of the said Rules, the following shall be inserted, namely,-

**"29G. Preservation of audit report,-** Co-operative Societies shall maintain Audit report as a permanent record. Director of Co-operative Audit and District Deputy Director of Co-operative Audit shall maintain audit reports in digitalised format up to a period of ten years.

Provided in the event of any dispute or the pendency of a criminal case, The Department of Co-operative Audit shall preserve the record of a co-operative Society till such dispute or the criminal case is finally decided."

**38. Amendment of Rule 30A,-** In Rule 30A of the said Rules, for the word, "fee", the word, "remuneration" shall be substituted.

**39. Amendment of Rule 56,-** In Rule 56 of the said Rules, in sub-rule (3), for the table, the following shall be substituted, namely,-

"TABLE

| Sl. No. | Nature of document                                              | Charges per folio (Rs.) |
|---------|-----------------------------------------------------------------|-------------------------|
| 1.      | Application for registration of a society                       | 10.00                   |
| 2.      | Certificate of Registration                                     | 25.00                   |
| 3.      | Order for cancellation of the registration of a society         | 25.00                   |
| 4.      | Order of surcharge under section 69                             | 20.00                   |
| 5.      | Order referring a dispute for arbitration under Section 71      | 20.00                   |
| 6.      | Order of supersession of board or removal of any member thereof | 25.00                   |
| 7.      | Bye-law copy of the society                                     | 25.00                   |
| 8.      | Members list of the Society                                     | 25.00                   |
| 9.      | Audit Report of the Society                                     | 25.00                   |

40. **Insertion of Annexure.** - In the said rules, the following annexure shall be inserted at the end, namely,-

**"ANNEXURE**

**A. In respect of Urban Co-operative Banks and Non-Agricultural Credit Co-operative Societies**

| Name of the Post | Qualification                                                                                                                                                                                                                                                          |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chief Executive  | Degree from recognized university preference may be given to person possessing Certified Associate of Indian Institution of Bankers(CAIB) or Higher Diploma in Co-operative Management (HDCM) or Post Graduation degree in cooperation from any recognized university. |

**B. In respect of House Building Co-operative Societies and other types of cooperative societies**

| Name of the Post | Qualification                                                                                                                                  |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| Chief Executive  | Degree from any recognized university with Higher Diploma in Co-operative Management granted by Regional Institute of Co-operative Management. |

**C. In respect of District Central Co-operative Bank**

| Name of the Post | Qualification                                                                                                                                                                |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chief Executive  | Appointment as per fit and proper criteria or on deputation of an officer not below the rank of deputy registrar of cooperative societies from the department of Cooperation |

**D. In respect of Karnataka State Co-operative Land Development Bank**

| Name of the Post | Qualification                                                                                                                   |
|------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Chief Executive  | On deputation of an officer not below the rank of Joint Registrar of Co-operative Societies from the Department of Cooperation. |

**E. In respect of THE KARNATAKA STATE CO-OPERATIVE APEX BANK LTD.**

| Name of the Post | Qualification                                                                                                                                                                                                                              |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chief Executive  | On deputation of an I.A.S Cadre officer from the Government or an officer not below the rank of Additional registrar of co-operative societies on deputation from the cooperative department or appointment as per fit and proper criteria |

**F. In respect of Primary Agricultural Credit Co-operative Societies**

| Name of the Post | Qualification                                                                                                                                    |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Chief Executive  | Degree from any recognized university with computer knowledge and general diploma in Co-operative Management granted by Co-operative Federation. |

**G. In respect of Karnataka State Co-operative Milk Federation**

| Name of the Post | Eligibility                                                                                                                                                                                                 |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chief Executive  | Deputation of I.A.S. Officer or Selection from among the Senior Officers of KMF in the Cadre of Functional Directors or by an officer not below the rank of Additional Registrar of Co-operative Societies. |

**H. In respect of District Co-operative Milk Union**

|                  |                                                                         |
|------------------|-------------------------------------------------------------------------|
| Name of the Post |                                                                         |
| Chief Executive  | Deputation of an Officer not below the rank of Joint Director from KMF. |

**I. In respect of Primary Milk Producers Co-operative Societies**

|                  |                                                                                                                                   |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Name of the Post |                                                                                                                                   |
| Chief Executive  | P.U.C. with computer knowledge and general diploma in co-operative management granted by Karnataka State Co-operative Federation. |

**41. Amendment of Form XII.**- In the said rules, for form XII, the following shall be substituted, namely,-

**"FORM XII"**

(see Rule 14(3))

Notice is hereby given that a general election of directors (area / constituency / General, reserved for backward class/scheduled caste/scheduled tribe and woman) to the board ..... society/election to fill up a casual vacancy on the board of will be held on .....

The calendar of events of the said election shall be as under:-

|     |                                                                                                       |                                                                                    |
|-----|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| (a) | Commencing date for submission of nomination papers from the intending contesting candidates.         | (Date and time to be indicated)                                                    |
| (b) | Last date for submission of nomination papers from the intending contesting candidates<br>(Rule 14A)  | On seven clear days before the date of election<br>(Date and time to be indicated) |
| (c) | The scrutiny of the nomination papers by the returning officer<br>(Rule 14B)                          | On six clear days before the date of election<br>(Date and time to be indicated)   |
| (d) | The publication of the list of validly nominated candidates by the returning officer<br>(Rule 14B(4)) | On six clear days before the date of election<br>(Date and time to be indicated)   |
| (e) | The last date for withdrawal of nomination papers by the contesting candidates (Rule 14C)             | On five clear days before the date of election<br>(Date and time to be indicated)  |
| (f) | The publication of the list of valid contesting candidate by the returning officer (Rule 14D)         | On five clear days before the date of election<br>(Date and time to be indicated)  |
| (g) | Allotment of symbols by the returning officer to the candidates if required (Rule 14E)                | On five clear days before the date of election<br>(Date and time to be indicated)  |
| (h) | The publication of the list of validly contesting candidates with symbols (Rule 14E & 14F)            | On three clear days before the date of election<br>(Date and time to be indicated) |
| (i) | The date and time of poll                                                                             |                                                                                    |
| (j) | The date and time of the counting                                                                     | Immediately after the close of the polling hours on the polling day itself.        |
| (k) | Declaration of the results by the returning officer                                                   | Immediately after the close of the counting on the polling day itself.             |

- (d) the number of vacancies to be filled by election;  
 (e) the area or the constituency (specified in the byelaws) from which the directors are to be elected;  
 (f) the eligibility, if any, specified in the Act, rules or the byelaws for eligibility for membership of the board;

(g) the disqualifications, specified in the Act, rules or the byelaws for being elected as a member of the board.

Place.....  
Date.....

Returning Officer"

**42. Amendment of Form XIV,-** In the said rules, for form XIV, the following shall be substituted, namely,-

**Form XIV**  
[See Rule 14B(4)]  
**List of validly nominated candidates**

Election of directors to the board of..... cooperative society.....  
from..... area / constituency reserved for Backward Classes/ Scheduled  
Castes/ Scheduled Tribes/Women.  
I..... returning officer hereby notify list of validly nominated candidates for election  
of directors to the board.

| Sl<br>No. | Category | Name of the Candidate | Name of the father/<br>husband | Address of the<br>candidate |
|-----------|----------|-----------------------|--------------------------------|-----------------------------|
| 1         | 2        | 3                     | 4                              | 5                           |
|           | General  |                       |                                |                             |
|           | OBC      |                       |                                |                             |
|           | SC/ST    |                       |                                |                             |
|           | Women    |                       |                                |                             |

Place : .....  
Date : .....

Returning Officer"

**43. Amendment of Form XVI,-** In the said Rules, for form XVI, the following shall be substituted, namely,-

**"Form XVI**  
[See Rule 14D(1) & 14E(4)]  
**List of Contesting Candidate/s**

Election of directors to the board of..... cooperative society.....  
from..... area / constituency reserved for Backward Classes /Scheduled  
Castes/ Scheduled Tribes/ Women.  
I..... returning officer hereby publish list of contesting candidates for  
election of directors to the board to be held on.....

| Sl<br>No. | Name of the Candidate | Address of<br>the Candidate | Symbol allotted |
|-----------|-----------------------|-----------------------------|-----------------|
| 1         | 2                     | 3                           | 4               |

1.

2.

3.

4.

Place : .....  
Date : .....

Signature of Returning Officer"

[See Rule 14G(2)]

(To be used when the seat is uncontested)

In pursuance of the provisions contained in Rule 14G of the Karnataka Cooperative Societies Rules, 1960, I..... returning officer declare that :

| Sl.No. | Name of the candidate | Address | Category |
|--------|-----------------------|---------|----------|
|        |                       |         |          |

Place : .....

Date : .....

Signature of Returning Officer

[See Rule 14G(3)]

(to fill casual vacancy when the seat is uncontested)

In pursuance of the provisions contained in Rule 14G of the Karnataka Cooperative Societies Rules, 1960, I, ..... the returning officer declare that :

Name .....

Address.....

has been duly elected to fill the vacancy caused in that cooperative society by the

Disqualification of.....

Resignation of .....

Death of .....

Election of ..... been declared void.

Seat of ..... area / constituency having become vacant/ having been declared vacant.

Place : .....

Date : .....

Signature of Returning Officer

[See Rule 14X(2)]

## FINAL RESULT SHEET

I..... returning officer declare that....

[illegible]

Total Number of valid votes **and** invalid votes recorded

| Seat / area /<br>constituency | Total Polled | Valid votes<br>polled | invalid votes<br>polled |
|-------------------------------|--------------|-----------------------|-------------------------|
| 1                             | 2            | 3                     | 4                       |

Place : .....

Date : .....

Returning Officer

**Form XXII**

[See Rule 14Y]

**Declaration of Result of Election**

(To be used when a seat is contested)

Election of directors to the board of..... cooperative society.....  
from..... area / constituency reserved for Backward Classes /Scheduled  
Castes/ Scheduled Tribes/ Women.

In pursuance of the provisions contained in Rule 14AB of the Karnataka Cooperative  
Societies Rules 1960, I.....returning officer declare that the following candidates are duly  
elected from **area / constituency / category** mentioned against their name :

| Sl.No. | Name of the candidate | Address | Elected from category<br>/ seat / area |
|--------|-----------------------|---------|----------------------------------------|
|        |                       |         |                                        |

By order and in the name of the Governor of Karnataka

**M. Venkataswamy**

Officer on Special Duty & Ex-officio  
Deputy Secretary to Government,  
Co-operation Department





# ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ

ಅಧಿಕೃತವಾಗಿ ಪ್ರಕಟಿಸಲಾದುದು

ಬಿಶೇಷ ರಾಜ್ಯ ಪತ್ರ

|          |                                                                     |         |
|----------|---------------------------------------------------------------------|---------|
| ಭಾಗ-IVA  | ಬೆಂಗಳೂರು, ಬುಧವಾರ, ಜುಲೈ ೨೭, ೨೦೧೬ (ಶ್ರಾವಣ ೫, ಶಕ ವರ್ಷ ೧೯೩೮)            | ನಂ. ೯೭೨ |
| Part-IVA | Bengaluru, Wednesday, July 27, 2016 (Shravana 5, Shaka Varsha 1938) | No. 972 |

ಸಂಸದೀಯ ವ್ಯವಹಾರಗಳ ಸಚಿವಾಲಯ

ಅಧಿಸೂಚನೆ

ಸಂಖ್ಯೆ: ಸಂವ್ಯಾಇ 55 ಶಾಸನ 2015, ಬೆಂಗಳೂರು, ದಿನಾಂಕ: 27.07.2016

**THE KARNATAKA CO-OPERATIVE SOCIETIES (AMENDMENT) BILL, 2016**ಕ್ಕೆ 2016ರ ಜುಲೈ ತಿಂಗಳ ಇಪ್ಪತ್ತಾರನೇ ದಿನಾಂಕದಂದು ರಾಜ್ಯಪಾಲರ ಒಪ್ಪಿಗೆ ದೊರೆತಿದ್ದು, ಸಾಮಾನ್ಯ ತಿಳುವಳಿಕೆಗಾಗಿ ಇದನ್ನು 2016ರ ಕರ್ನಾಟಕ ಅಧಿನಿಯಮ ಸಂಖ್ಯೆ:19 ಎಂಬುದಾಗಿ ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರದಲ್ಲಿ ಪ್ರಕಟಿಸಬೇಕೆಂದು ಆದೇಶಿಸಲಾಗಿದೆ.

**KARNATAKA ACT NO. 19 OF 2016**

(First Published in the Karnataka Gazette Extra-ordinary on the Twenty seventh day of July, 2016)

**THE KARNATAKA CO-OPERATIVE SOCIETIES (AMENDMENT) ACT, 2016**

(Received the assent of the Governor on the Twenty sixth day of July, 2016)

An Act further to amend the Karnataka Cooperative Societies Act, 1959.

Whereas it is expedient further to amend the Karnataka Cooperative Societies Act, 1959 (Karnataka Act No 11 of 1959) for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the sixty seventh year of the Republic of India as follows:-

**1. Short title and commencement.-** (1) This Act may be called the Karnataka Cooperative Societies (Amendment) Act, 2016.

(2) It shall come into force at once.

**2. Amendment of section 12.-** In section 12 of the Karnataka Cooperative Societies Act, 1959 (Karnataka Act No. 11 of 1959) (hereinafter referred to as the principal Act), in sub-section (5), the words "in the interest of such society or" shall be omitted.

**3. Amendment of section 18.-** In section 18 of the Principal Act, in sub-section (1), for the proviso the following shall be substituted with effect from 6.9.2014, namely:-

"Provided that on or after the Karnataka Co-operative Societies (Amendment) Act, 2014 the number of associate members under clause (a) in any co-operative society except employees cooperative society shall not exceed fifteen percent of the total regular membership."

**4. Amendment of section 18B.-** In section 18B of the Principal Act, after clause(i) the following shall be inserted namely:-

"in case of amalgamation or re-organization or division of Co-operative Societies he may continue to represent such society until such amalgamated, reorganized or divided Society withdraws his representation by resolution."

**5. Amendment of section 28A.-** In section 28A of the Principal Act,-

(1) in sub-section (2),-

- (i) for the words, "not less than eleven", the word, " not less than thirteen" shall be substituted;
- (ii) in clause (i),-
  - (a) in item (a), for the word "eleven", the word "thirteen" shall be substituted;
  - (b) in item (b), for the words "thirteen ", the words "fifteen" shall be substituted; and
  - (c) in item (c), for the word "fifteen", the word "seventeen" shall be substituted.

(2) in sub-section (3), for clause (i) the following shall be substituted, namely:-

"(i) one seat to be filled by election, in favour of the person belonging to the Scheduled Castes and one seat to be filled by election, in favour of the person belonging to the Scheduled Tribes;

**6. Insertion of new section 29H.-** After section 29G of the Principal Act, the following shall be inserted, namely:-

**"29H. Motion of no-confidence against office-bearer.-** (1) A motion of no confidence against an office bearer may be moved only after two years of his assumption of office. In case, the motion of no confidence is once defeated, a fresh motion shall not be introduced within one year thereafter. No motion of no confidence shall be moved unless there is a request from not less than one-third of the elected members of the board of a Co-operative Society concerned.

(2) An office bearer of a Co-operative Society shall be deemed to have vacated his office forthwith if a resolution expressing want of confidence in him is passed by a majority of two third of the total number of elected directors of a Co-operative Society at a meeting specially convened for the purpose.

(3) The procedure for no confidence motion shall be as prescribed. "

**7. Amendment of section 63.-** In section 63 of the Principal Act,-

(i) in sub-section (13), the following shall be inserted at the end, namely:-

"The result of the re-audit shall be incorporated by the co-Operative society in the next audit report to be issued."

(ii) in sub-section (13-A) for the words "three years" , the words "five years" shall be substituted.

**8. Amendment of section 70.-** In section 70 of the Principal Act, in sub-section (2), after clause (b), the following shall be inserted, namely:-

"(c) any dispute arising in connection with the election of a President, Vice-President or any office-bearer or Member of board of the society."

**9. Amendment of section 108.-** In section 108 of the Principal Act, for the words, "an appeal has been made to" the words "an appeal as been made and pending before" shall be substituted.

**10. Substitution of Section 132. -** For section 132 of the principal Act, the following shall be substituted, namely:-

**"132. Power to remove difficulties.-** If any difficulty arises in giving effect to the provisions of this Act, the State Government may, by notification in official Gazette, make such provisions not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for removing of difficulty."

By Order and in the name of the Governor of Karnataka,

**K. DWARAKANATH BABU**

Secretary to Government

Department of Parliamentary Affairs



**ಕರ್ನಾಟಕ ರಾಜ್ಯ ಸಹಕಾರ ಪಟ್ಟಣ ಬ್ಯಾಂಕುಗಳ ಮಹಾಮಂಡಳ ನಿ.**  
**The Karnataka State Co-operative Urban Banks Federation Ltd.**

ಸಂಖ್ಯೆ:ಪಬ್ಯಾಮ: 252 :2017-18

ದಿನಾಂಕ:04.08.2017

ಗೆ,  
ಅಧ್ಯಕ್ಷರು / ಮುಖ್ಯಕಾರ್ಯನಿರ್ವಹಣಾಧಿಕಾರಿಗಳು,  
ರಾಜ್ಯದ ಎಲ್ಲಾ ಪಟ್ಟಣ ಸಹಕಾರ ಬ್ಯಾಂಕುಗಳಿಗೆ,  
ಮಾನ್ಯರೇ,

ಕರ್ನಾಟಕ ಸಹಕಾರ ಸಂಘಗಳ ಕಾಯ್ದೆ 1959 ಮತ್ತು ನಿಯಮಗಳು 1960ಕ್ಕೆ ಕರ್ನಾಟಕ ರಾಜ್ಯ ಸರ್ಕಾರವು ದಿನಾಂಕ:12.01.2017ರಂದು ಕರಡು ನಿಯಮಾವಳಿಗಳನ್ನು ಪ್ರಕಟಿಸಿತ್ತು. ಈ ಕರಡು ನಿಯಮಾವಳಿಗಳಲ್ಲಿ ಪ್ರಮುಖವಾಗಿ ನೌಕರರ ವೇತನ ಶ್ರೇಣಿ, ತುಟ್ಟಭತ್ಯೆ, ಇತರೆ ಭತ್ಯೆಗಳನ್ನು ಪಡೆಯಲು ಸರ್ಕಾರದ ಅನುಮತಿ ಪಡೆಯುವುದನ್ನು ಕಡ್ಡಾಯಗೊಳಿಸಲಾಗಿತ್ತು. ಈ ಹಿನ್ನೆಲೆಯಲ್ಲಿ ಮಹಾಮಂಡಳದ ಆಡಳಿತ ಮಂಡಳಿ ಸಭೆಯಲ್ಲಿ ಇದನ್ನು ಸುದೀರ್ಘವಾಗಿ ಚರ್ಚಿಸಿ, ಈ ವ್ಯವಸ್ಥೆಯಿಂದ ಪಟ್ಟಣ ಸಹಕಾರ ಬ್ಯಾಂಕುಗಳ ಮೇಲೆ ಆಗುವ ಅನಾನುಕೂಲಗಳನ್ನು ಅರಿತು, ಸರ್ಕಾರದ ಬದಲಾಗಿ ಆಯಾ ಆಡಳಿತ ಮಂಡಳಿಗಳಿಗೆ ನಿರ್ಧಾರ ಕೈಗೊಳ್ಳುವ ಅಧಿಕಾರ ಇರಬೇಕೆಂದು ಸರ್ಕಾರಕ್ಕೆ ಆಕ್ಷೇಪಣೆ ಸಲ್ಲಿಸಲು ನಿರ್ಣಯಿಸಲಾಯಿತು. ಸದರಿ ನಿರ್ಣಯದಂತೆ ಮಹಾಮಂಡಳದಿಂದ ಸರ್ಕಾರಕ್ಕೆ ಆಕ್ಷೇಪಣೆ ಸಲ್ಲಿಸಿ, ಮಹಾಮಂಡಳದ ನಿಕಟಪೂರ್ವ ಅಧ್ಯಕ್ಷರೂ ಹಾಗೂ ಗ್ರಾಮೀಣಾಭಿವೃದ್ಧಿ ಮತ್ತು ಪಂಚಾಯತ್ ರಾಜ್ ಸಚಿವರಾದ ಸನ್ಮಾನ್ಯ ಶ್ರೀ ಎಚ್.ಕೆ. ಪಾಟೀಲರ ನೇತೃತ್ವದಲ್ಲಿ ಮಹಾಮಂಡಳದ ಎಲ್ಲಾ ನಿರ್ದೇಶಕ ಮಂಡಳಿ ಸದಸ್ಯರು ಸತತವಾಗಿ ಸರ್ಕಾರದೊಂದಿಗೆ ಹೋರಾಟ ನಡೆಸಿ, ಅದಕ್ಕೆ ಪ್ರತಿಫಲವೆಂಬಂತೆ ಇಂದು ಆಯಾ ಪಟ್ಟಣ ಸಹಕಾರ ಬ್ಯಾಂಕುಗಳ ಆಡಳಿತ ಮಂಡಳಿಗಳಿಗೆ ಅಧಿಕಾರ ದೊರಕಿಸಿಕೊಡುವಲ್ಲಿ ಯಶಸ್ವಿಯಾಗಿದೆ.

ಮಹಾಮಂಡಳದ ಸತತ ಪ್ರಯತ್ನದ ಫಲವಾಗಿ ಕರ್ನಾಟಕ ರಾಜ್ಯದ 42,000ಕ್ಕೂ ಹೆಚ್ಚು ಸಹಕಾರ ಸಂಘಗಳಿಗೆ ಇದರ ಪ್ರತಿಫಲ ದೊರೆಯಲಿದೆ. ಈ ಪತ್ರದೊಂದಿಗೆ ಕರ್ನಾಟಕ ಸರ್ಕಾರವು ಹೊರಡಿಸಿರುವ ಅಧಿಸೂಚನೆಯ ಪ್ರತಿಯನ್ನು ತಮ್ಮ ಅವಗಾಹನೆಗಾಗಿ ಕಳುಹಿಸಿಕೊಡಲಾಗಿದೆ.

ವಂದನೆಗಳೊಂದಿಗೆ,

ತಮ್ಮ ವಿಶ್ವಾಸಿ,

(ಪುಂಡಲೀಕ್ ಎನ್. ಕೆರೂರ)  
ಮುಖ್ಯಕಾರ್ಯನಿರ್ವಹಣಾಧಿಕಾರಿ



# ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ

ಅಧಿಕೃತವಾಗಿ ಪ್ರಕಟಿಸಲಾದುದು

ವಿಶೇಷ ರಾಜ್ಯ ಪತ್ರಿಕೆ

|          |                                                                    |         |
|----------|--------------------------------------------------------------------|---------|
| ಭಾಗ-IVA  | ಬೆಂಗಳೂರು, ಶನಿವಾರ, ಜುಲೈ ೨೯, ೨೦೧೭ (ಶ್ರಾವಣ ೭, ಶಕ ವರ್ಷ ೧೯೩೯)           | ನಂ. ೭೨೩ |
| Part-IVA | Bengaluru, Saturday, July 29, 2017 (Shravana 7, Shaka Varsha 1939) | No. 723 |

CO-OPERATION SECRETARIAT

NOTIFICATION

NO. CO 123 CLM 2016 BENGALURU, DATED: 29.07.2017.

Whereas the draft of the Karnataka Cooperative Societies (Amendment) Rules, 2016, was published as required by sub-section (1) of section 129 of the Karnataka Co-operative Societies Act, 1959 (Karnataka Act No. 11 of 1959) in notification No. CO 123 CLM 2016, dated: 12.01.2017 in part IV-A of the Karnataka Gazette Extraordinary dated: 13.01.2017 inviting objections and suggestions from all persons likely to be affected thereby within thirty days from the date of its publication on Official Gazette.

And whereas the said Gazette was made available to the public on 13.01.2017.

And whereas objections and suggestions received in this behalf have been considered by the State Government.

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 129 of the Karnataka Co-operative Societies Act, 1959 (Karnataka Act No. 11 of 1959) the Government of Karnataka hereby makes the following rules, namely:-

## RULES

**1. Title and commencement.-** (1) These rules may be called the Karnataka Co-operative Societies (Amendment) Rules, 2017.

(2) They shall come into force from the date of their publication in the Official Gazette.

**2. Amendment of rule 2.-** In the Karnataka co-operative societies Rules, 1960 (hereinafter referred to as the said rules) in rule 2,-

(a) after clause (b) the following shall be inserted, namely,-

"(e-1) "Jurisdictional Registrar" means the Additional/Joint/Deputy/ Assistant Registrar as under section 2A of the Act."

(b) after clause (g) the following shall be inserted, namely:-

"(g-1) "Sahakara Academy (Reg.),Mysore" means the academy registered under the Karnataka Societies Registration Act, 1960 and sponsored by the State Government"

(c) In clause (i-1) for the words "district/region/state election officer" the words "election officer for such area"

**3. Substitution of expression.-** In the said rules, for the words "District Election Officer" wherever they occurs, the words, "Election Officer" shall be substituted.

**4. Amendment of rule 13B.-** In rule 13B of the said rules, in sub-rule (4) in clause (a) the words "if he is in service" shall be omitted.

**5. Amendment of rule 13D.-** In rule 13D of the said rules,-

- (a) in sub-rule (2), the words "and the date and place of election" shall be omitted;
- (b) for sub-rule (3), the following shall be substituted, namely :-

"(3) The Election Officer shall take steps for publication of voters list in the following manner, namely:-

- (a) for publication of draft eligible electoral list, a list of defaulters, a list of members whose repayment falls due, before the election date clear fifty days;
- (b) for calling objections, if any, calling upon the defaulter members to repay the amounts due to the cooperative societies on or before thirty clear days prior to the date of election.
- (c) the scrutiny and verification of the voters list after payment by defaulters etc., clear twenty days before the date of election.
- (d) for publication of final eligible voters list before fifteen clear days prior to the date of election."

**6. Amendment of rule 13E.-** In rule 13E of the said rules in sub-rule (2),-

- (a) at the end of clause (i) the following shall be inserted, namely:- "in consultation with the respective cooperative society relating to date and place of election";
- (b) in clause (iii), after the word, "directors", the words, "including casual vacancies, as the case may be" shall be inserted;
- (c) in clause (iv), in sub-clause (b), after the words, and bracket mark "constituency" the word, "as" shall be inserted.

**7. Amendment of rule 14L.-** In rule 14L of the said rules, for sub -rule (2) for the following shall be substituted, namely:-

"(2) The serial number of the ballot paper shall be printed on the left hand side of the counter foil."

**8. Amendment of rule 14AG.-** In rule 14AG of the said rules, after sub-rule (6), the following shall be inserted, namely:-

"(6A) The quorum for a meeting of the board convened under sub rule(6) shall be fixed at the number next to fifty percent of the strength of the board."

**9. Insertion of rule 14AKK:-** After rule 14AK of the said rules the following shall be inserted, namely:-

**"14-AKK: No Confidence Motion.-** (1) A written notice hereinafter called a no-confidence notice, with intention to take up or move no-confidence motion, signed by not less than one third of elected members of the board along with a copy of the proposed motion shall be delivered in person to the chief executive of the society. A copy of the said notice shall be sent to the jurisdictional Registrar.

(2) The chief executive of the society shall send a communication to the jurisdictional Registrar within seven days of the receipt of notice of no-confidence motion.

(3) The jurisdictional Registrar shall within seven days, authorize an officer not below the rank of a senior inspector of cooperative societies hereinafter called as authorized officer for this purpose to preside over the meeting of the board called to consider no-confidence motion and conduct all further proceedings in this behalf.

(4) The authorized officer shall give a notice of not less than fifteen clear days of such meeting to all elected members of the board.

(5) The notice shall clearly state the place, date, time and agenda of the meeting.

(6) The service of notice may be effected to the elected members of the board in any of the following manner, namely:-

- (a) by giving or tendering it to such person; or
- (b) by sending it to their address through registered post;

(7) The quorum for such meeting shall be the number next to fifty percent of the elected members of the board. All the members attending the meeting shall sign in the book kept for the purpose before commencement of the meeting. The authorized officer shall preside over the meeting. If within one hour after the time fixed for the meeting, the quorum is not formed, the meeting shall stand cancelled and the notice issued as per sub-rule (4) shall stand cancelled.

(8) Save as otherwise provided in the Act or these rules, a meeting of the board convened for the purpose of considering a no-confidence motion under sub-rule (4) and (5) shall not for any reason be adjourned.

(9) As soon as the meeting commences, the authorized officer shall read out to the members of the board, the motion for consideration for which the meeting has been convened and shall put it to vote without any debate.

(10) The votes shall be taken by secret ballot and the elected members of the board shall record their votes in the ballot papers supplied to them.

(11) If the motion is carried, with the support of not less than 2/3<sup>rd</sup> of the elected members present in the meeting the authorized officer shall declare the result and draw up the proceedings accordingly and sign and handover a copy of the proceedings to the chief executive of the society and a copy to be displayed on the notice board of the society and communicate the same to the jurisdictional Registrar.

(12) Immediately after the motion is carried as per sub-rule (11) above, the office - bearer or bearers as the case may be, shall not discharge any functions and shall be deemed to have vacated his or her or their office forthwith.

(13) The chief executive of the society shall take action for the election of the office bearers as per section 29E and 29F. The person/persons so elected shall hold office, for the remaining period of the term of his or her or their predecessor/predecessors as the case may be.

**10. Amendment of rule 17.-** In rule 17 of the said rules, in sub rule (2), for item (A) and (B) the following shall be substituted, namely:-

**"A. Prescribing Minimum Qualifications:-**

(i) **Recruitment:** (a) The minimum educational qualification for recruitment to various posts in a co-operative society shall be as under, namely:-

| Category of Posts            | Minimum Qualification                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Chief Executive          | (i) Must have passed any Bachelor Degree from an University established by law in India;<br>(ii) Must have studied Kannada as one of the languages in SSLC or an equivalent examination;<br>(iii) Must have undergone basic Computer Operations and Applications course from an institution recognized by the Government; and<br>(iv) Preference shall be given to person with a degree in co-operation from a University established by Law in India. |
| (2) First Division Assistant | (i) Any Degree from any University established by law in India;<br>(ii) Knowledge of Kannada with ability to read, write, understand and speak Kannada fluently; and<br>(iii) Knowledge of Computer operations and Applications.                                                                                                                                                                                                                       |

|                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (3) Second Division Assistant                      | (i) A pass in II P.U.C.<br>(ii) Knowledge of Kannada with ability to read, write, understand and speak Kannada fluently; and<br>(iii) Knowledge of Computer operations and Applications.                                                                                                                                                                                                                                        |
| (4) Stenographers                                  | (i) A pass in II P.U.C. or a pass in three years Diploma in Commercial Practice;<br>(ii) A pass in Senior Kannada / English Short hand having the knowledge of Computer Operations and applications;<br>(iii) A pass in senior Kannada / English Typewriting having the knowledge of Computer Operations and Applications; and<br>(iv) Knowledge of Kannada with ability to read, write, understand and speak Kannada fluently. |
| (5) Typists/Data Entry Operator/ Computer Operator | (i) A pass in II P.U.C. or a pass in three years Diploma in Commercial Practice;<br>(ii) A pass in Senior Kannada / English Typewriting having the knowledge of Computer Operations and applications; and<br>(iii) Knowledge of Kannada with ability to read, write, understand and speak Kannada fluently.                                                                                                                     |
| (6) Computer Programmer                            | A degree in Bachelor of Computer application from university established by Law.                                                                                                                                                                                                                                                                                                                                                |
| (7) Accountant/ Accounts Assistant.                | (i) A Degree in Commerce / Cooperation/ Management from any University established by law in India;<br>(ii) A pass in Certificate Course in Tally with knowledge of Computer Operations and Applications; and<br>(iii) Knowledge of Kannada with ability to read, write, understand and speak Kannada fluently.                                                                                                                 |
| (8) Sales Assistant                                | (i) A pass in II P.U.C.<br>(ii) Knowledge of Kannada with ability to read, write, understand and speak Kannada fluently; and<br>(iii) Knowledge of Computer Operations and applications                                                                                                                                                                                                                                         |
| (9) Driver                                         | (i) A pass in SSLC with Kannada as one of the languages;<br>(ii) Must have a valid Driving License.                                                                                                                                                                                                                                                                                                                             |
| (10) Attender                                      | A pass in SSLC with Kannada as one of the languages.                                                                                                                                                                                                                                                                                                                                                                            |

**(ii) Promotion.-** (a) An employee of any cooperative society who has the minimum qualification prescribed for direct recruitment to the post currently held by him and who has put in a satisfactory service of at least five years in the post held by him shall be eligible for being considered for promotion to the higher post:

"Provided that, no employee of the society shall be promoted to the next higher post, if he has not successfully completed Higher Diploma in Co-operative Management (HDCM) / Diploma in Cooperative Banking Management (DCBM) / Diploma in Urban Co-operative Banking Management (DUCBM) / General Diploma in Co-operative Management (GDC)/ Diploma in Co-operative Management (DCM) conducted by the recognised Institutes."

(b) The Board of a Cooperative Society shall depute each employee of the cooperative society to Higher Diploma in Co-operative Management (HDCM) / Diploma in Co-operative Banking Management (DCBM)/Diploma in Urban Co-operative Banking Management (DUCBM)/General Diploma in Co-operative Management (GDC)/ Diploma in Co-operative Management (DCM) and no exemption shall be granted by the board in attending and completing the course."

(2) in sub-rule (4) for the words, "engage persons", the words, "engage Second Division Assistant or equivalent and below cadre posts with the approval of the Registrar" shall be substituted.

**11. Amendment of rule 17A.-** In rule 17A of the said rules,-

(a) in sub-rule (1) in the table, in item (iv) after the words, "One expert", the words, "other than the director of the co-operative society" shall be inserted.

(b) in sub-rule (2) the following shall be inserted at the end, namely:- "including the Registrar of Co-operative Society or his nominee."

**12. Amendment of rule 18.-** For rule 18 of the said rules, the following shall be substituted, namely:-

**"18. The method of recruitment and conditions of services of the employees of a co-operative society,-**

**(1) Appointment by direct recruitment:-**

(a) No appointment by direct recruitment shall be made except by calling for applications from eligible candidates by notifying the same in at least in more than one Kannada news paper having wide circulation in the area of operation of the co-operative society. However, a co-operative society having a taluka and above area of operation and any co-operative bank shall notify the same at least in more than one Kannada news paper having wider circulation and in an English newspaper.

Provided that the above said rules shall not apply to:-

- (i) the appointment of an officer whose services have been lent by the Government;
- (ii) the filling up of a post through compassionate appointment as per rules;

(b) The board shall constitute a recruitment/selection committee for recruitment/promotion whenever the need arises as per rule 17A.

(c) **For recruitment to the posts of Second Division Assistant and above:-** The written test shall carry 200 marks consisting of Kannada Language for 50 marks, General English for 25 marks, General Knowledge for 25 marks, Co-operation matters for 50 marks, the Constitution of India for 25 marks and the subject relevant to the objectives and activities of the society for 25 marks. The candidates shall be called upon to take written test in the ratio of 1:20 of the total notified posts, based on the percentage of marks obtained in the qualifying examinations prescribed for the posts. The candidates successful in the written test shall be called for interview in the ratio of 1:5 based on the percentage of marks obtained in the written test or technical test prescribed for the posts. The marks obtained in the written test or technical test shall be reduced to 85% and the interview shall carry 15 percent of marks.

(d) For recruitment to the posts of Computer Programmer, Data Entry Operator, Stenographer and Typist, proficiency tests in their respective fields shall be preferred. The written test shall carry 200 marks consisting of Kannada Language for 50 marks, General English for 25 marks, General Knowledge for 25 marks and Computer test and Shorthand or typing as the case may be for 100 marks. The candidates shall be called upon to take written test in the ratio of 1:20 of the total notified posts, based on the percentage of marks obtained in the qualifying examinations prescribed for the posts. The candidates successful in the written test shall be called for interview in the ratio of 1:5 based on the percentage of marks obtained in the written test prescribed for the posts. The marks obtained in the written test shall be reduced to 85% and the interview shall carry 15 percent of marks.

(e) For recruitment to the posts of Drivers and Group-D services, the candidate shall be called upon for interview in the ratio of 1:5 based on the percentage of marks in the qualifying examination prescribed for the posts. The marks obtained in the qualifying examination shall be reduced to 85% and the interview shall carry 15 percent of marks.

(f) The marks obtained in the written test/technical tests/ qualifying examinations as per sub-rule (c), (d) and (e) of this rule shall be reduced to 85% and the marks obtained after such reduction and the marks obtained in the interview shall be added together and a merit list of the successful candidates shall be prepared on the basis of the total marks obtained in the written tests/technical tests/qualifying examinations and the interview together. A select list shall be prepared following the reservation policy to the extent applicable on the basis of the merit list.

(g) The chief executive shall issue the appointment order after the approval of the select list by the board. However, no process of recruitment shall be initiated during the last three months immediately prior to the expiry of the term of office of the board of any co-operative society.

**(2) Age limit for appointment by direct recruitment.-** (1) Every candidate for appointment by direct recruitment to any post in the services of a co-operative society must have attained the age of eighteen years and not attained the age of, -

- (i) forty years in the case of a person belonging to the Scheduled Castes or Scheduled Tribes or category-1 of other Backward Classes;
- (ii) thirty eight years in the case of a person belonging to any of the other Backward classes;

**Explanation:** For the purpose of this clause (ii) "other Backward class" means category of persons other than the Scheduled Casts and Scheduled Tribes classified as 2-A, 2-B, 3-A and 3-B for recruitment purposes.

- (iii) thirty five years in the case of others; on the last date fixed for the receipt of the application

**(3) Appointment on compassionate grounds.-**

Notwithstanding anything contained in sub-rule (2), the maximum age limit for appointment shall be deemed to be enhanced by ten years in the case of a widow or widower of a deceased male or female employee of a cooperative society.

Provided that the following shall be eligible for appointment on compassionate grounds in the case of a deceased male employee of a co-operative society; namely:-

- (i) the widow; or
- (ii) a son, if the widow is not eligible or for any valid reason, she is not willing to accept the appointment; or
- (iii) an unmarried daughter, if the widow and son are not eligible or for any valid reason, they are not willing to accept the appointment.

Provided further that, the following shall be eligible for appointment on compassionate grounds in the case of a deceased female employee of a co-operative society; namely-

- (i) a son; or
- (ii) an unmarried daughter, if the son is not eligible or for any valid reason, he is not willing to accept the appointment; or
- (iii) a widower, if the son and daughter are not eligible or for any valid reason, they are not willing to accept the employment.

**(4) Conditions of Service.-** (i) **Age of retirement** - The date of retirement on superannuation of an officer or employee of any co-operative society shall be the last day of the month during which he attains the age of sixty years.

Provided that the date of retirement of an officer or employee of co-operative society whose date of birth is the first day of a month shall be the afternoon of the last day of the month preceding the month in which he attains the age of 60 years.

(ii) **Voluntary retirement** - Any employee of a cooperative society can opt for voluntary retirement from the service of the society after he completes fifteen years of satisfactory service or attains the age of fifty years:

Provided that, scheme of voluntary retirement shall be provided in the bye-law of the society.

**(5) Other service conditions:** The rules governing leave facility, gratuity, conduct and discipline of employees of co-operative societies shall be as provided in their bye-laws.

**13. Amendment of rule 29B.-** In rule 29B of the said rules,-

- (a) after sub-rule (6), the following proviso shall be inserted, namely:-

"Provided that the need to post Auditor of the Department of Co-operative Audit shall be decided by the Government on receiving a recommendation to the effect from the General Body of a co-operative society."

**14. Amendment of rule 29D.-** For rule 29D of the said rules, the following shall be substituted namely:-

**"29D. Submission of the Audit Report of an Apex Society to the Government.-** For the purposes of sub-section (11) of Section 63, the Chief Executive of the Apex Co-operative society shall submit required copies of the audit report of the Apex Co-operative Society through the Director of Co-operative Audit to the State Government to lay before the State Legislature."

**15. Amendment of rule 30.-** In rule 30 of the said rules,-

(i) for the words, "payable to an Auditor or Auditing Firm for auditing", the words, "or cost payable to an Auditor or Auditing Firm or to the audit staff conducting concurrent or final audit of" shall be substituted.

(ii) after rule 30, the following proviso shall be inserted, namely:- "Provided that every Co-operative Society, where the Government decides to post audit staff for concurrent and final audit of accounts, shall pay audit cost in accordance with the provisions of rule 441 of the Karnataka Civil Services Rules."

**16. Amendment of rule 30A.-** In rule 30A of the said rules, after the words, "failing to pay the remuneration", the words, "or audit cost" shall be inserted.

**17. Amendment of rule 31.-** In rule 31 of the said rules, in sub-rule (2), for the words, "Civil Court", the words, "under Section 70 of the Act." shall be substituted.

**18. Insertion of rule 31A.-** After rule 31 of the said rules, the following shall be inserted, namely:-

**"31A.** No cooperative society shall spend any money out of the funds of the co-operative society for legal matters relating to Sections 17, 28A(5), 29C, 30, 31, 69, and 106 of any of its members and directors."

**19. Amendment of rule 33.-** In rule 33 of the said rules, , after clause (o), the following shall be inserted, namely:-

"(p) the liquidator shall obtain prior permission from the jurisdictional Registrar for incurring any expenditure beyond fifteen thousand in a month other than for salary, rent and stationery expenditure."

**20. Amendment of the rule 53A: -** In rule 53A of the said rules, in sub-rule (1) and (2), after the words, "Section 66", the words, "or Section 31A" shall be inserted.

**21. Amendment of the Annexure. -** In the Annexure to the said rules,-

- (a) items B, F and I shall be omitted;
- (b) in item H for the words "KMF" the words, "Karnataka State Cooperative Milk Federation or Additional Registrar of Cooperative Societies or Joint Registrar of Cooperative Societies from the Department of Co-operation" shall be substituted;
- (c) after item I, the following shall be inserted, namely:-

**"J. In respect of Karnataka State Cooperative Marketing Federation Limited**

| Name of the Post | Method of recruitment                                                                                                                                                            |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chief Executive  | On deputation of an I.A.S. cadre officer from the Government or Officer not below the rank of Additional Registrar of Co-operative Societies from the Department of Cooperation. |

**K. In respect of Karnataka State Horticulture Cooperative Federation Limited.**

| Name of the Post | Method of recruitment                                                                                                                                                                                          |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chief Executive  | Deputation of an officer not below the rank of Joint Director of Horticulture from Horticulture Department or Joint Registrar of Co-operative Societies from the Department of Cooperation as the case may be. |

**L. In respect of Karnataka State Cooperative Coir Federation Limited**

| Name of the Post | Method of recruitment                                                                                                                                                                      |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chief Executive  | Deputation of an officer not below the rank of Joint Director, Industries and Commerce or Joint Registrar of Co-operative Societies from the Department of Cooperation as the case may be. |

**M. In respect of Karnataka State Cooperative Oil Federation Limited**

| Name of the Post | Method of recruitment                                                                                                                                             |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chief Executive  | An officer of the Federation or deputation of an officer not below the rank of Additional Registrar of Co-operative Societies from the Department of Cooperation. |

**N. In respect of Karnataka State Cooperative Federation Limited**

| Name of the Post | Method of recruitment                                                                                                             |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Chief Executive  | Deputation of an officer not below the rank of Additional Registrar of Co-operative Societies from the Department of Cooperation. |

"

BY ORDER AND IN THE NAME OF THE  
GOVERNOR OF KARNATAKA,

**M. VENKATASWAMY**

Officer on Special Duty & Ex-officio  
Deputy Secretary to Government,  
Co-operation Department.



# ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ

ಅಧಿಕೃತವಾಗಿ ಪ್ರಕಟಿಸಲಾದುದು

ಜಿಲ್ಲಾ ರಾಜ್ಯ ಪತ್ರ

|          |                                                                  |         |
|----------|------------------------------------------------------------------|---------|
| ಭಾಗ-IVA  | ಬೆಂಗಳೂರು, ಸೋಮವಾರ, ಮಾರ್ಚ್ ೫, ೨೦೧೮ (ಫಾಲ್ಗುಣ ೧೪, ಶಕ ವರ್ಷ ೧೯೩೯)      | ನಂ. ೩೪೪ |
| Part-IVA | Bengaluru, Monday, March 5, 2018 (Palguna 14, Shaka Varsha 1939) | No. 344 |

## CO-OPERATION SECRETARIAT

### NOTIFICATION

No. CO 123 CLM 2016, Bengaluru, Dated: 05.03.2018

Whereas, the draft of the Karnataka Co-operative Societies (Amendment) Rules, 2018 was published as required by sub-section (1) of section 129 of the Karnataka Co-operative Societies Act, 1959 (Karnataka Act 11 of 1959) in Notification No. CO 123 CLM 2016, dated: 22.01.2018 in Part-IVA of the Karnataka extra-ordinary Gazette, No.51, dated:22.01.2018 inviting objections and suggestions from all the persons likely to be affected thereby within fifteen days from the date of its publication in the official Gazette.

And whereas, the said Gazette was made available to the public on 22.01.2018.

And whereas, objections and suggestions received in this behalf have been considered by the State Government.

Now, therefore, in exercise of the powers conferred by section 129 of the Karnataka Co-operative Societies Act, 1959 (Karnataka Act 11 of 1959) the Government of Karnataka hereby makes the following rules further to amend the Karnataka Co-operative Societies Rules, 1960, namely:-

### RULES

**1. Title and commencement.-** (1) These rules may be called the Karnataka Co-operative Societies (Amendment) Rules, 2018.

(2) They shall come into force from the date of their publication in the Official Gazette.

**2. Amendment of rule 6.-** In the Karnataka co-operative societies Rules, 1960 (hereinafter referred to as the said rules) in rule 6, in sub-rule (3) for clause (bb) the following shall be substituted, namely:-

"(bb) a treasury challan or demand draft in favour of the Registrar for having remitted the fee specified below:-

| Area of operation of society |                                          | Amount of fees |
|------------------------------|------------------------------------------|----------------|
| (1)                          | Less than a taluk                        | Rs. 1,000/-    |
| (2)                          | Taluk and above but less than a district | Rs. 2,500/-    |
| (3)                          | District and above but less than region  | Rs. 5,000/-    |
| (4)                          | Region and above                         | Rs.12,500/-    |

**3. Amendment of rule 17.-** In rule 17 of the said rules, in sub-rule (2), in item (A), in sub-item (ii), in clause (a) after the proviso the following shall be inserted, namely:-

"Provided further that, the above proviso shall be applicable after a period of twenty four months from the date of commencement of the Karnataka Co-Operative Societies (Amendment) Rules, 2017."

**4. Amendment of rule 18.-** In rule 18 of the said rules, in sub-rule (1), in clause (c) and (d) the words and figures "the candidates shall be called upon to take written test in the ratio of 1:20 of the total notified posts, based on the percentage of marks obtained in the qualifying examination prescribed for the posts" shall be omitted.

**5. Amendment of rule 20.-** In rule 20 of the said rules, after sub-rule (3), the following shall be inserted, namely:-

"(3A) No decision shall be taken by the Board of the Karnataka State Co-operative Federation Limited, which contravenes the decision of the advisory committee."

**6. Amendment of Annexure.-** In the Annexure to the said rules, under the Heading, **E. THE KARNATAKA STATE CO-OPERATIVE APEX BANK LTD.** for the words, "Additional Registrar of co-operative societies", the words, "Joint Registrar of co-operative societies" shall be substituted.

By order and in the name of the Governor of Karnataka,

**M. VENKATASWAMY**

Officer on Special Duty & Ex-officio  
Joint Secretary to Government,  
Co-operation Department.



# ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ

ಅಧಿಕೃತವಾಗಿ ಪ್ರಕಟಿಸಲಾದುದು  
ವಿಶೇಷ ರಾಜ್ಯ ಪತ್ರಿಕೆ

|                          |                                                                                                                                                |                    |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| ಭಾಗ - ೪ ಎ<br>Part - IV A | ಬೆಂಗಳೂರು, ಗುರುವಾರ, ೦೭, ಅಕ್ಟೋಬರ್, ೨೦೨೧ (ಆಶ್ವಯುಜ, ೧೫, ಶಕವರ್ಷ, ೧೯೪೩)<br>BENGALURU, THURSDAY, 07, OCTOBER, 2021 (ASHWAYUJA, 15, SHAKAVARSHA, 1943) | ನಂ. ೮೨೪<br>No. 824 |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|

## PARLIAMENTARY AFFAIRS AND LEGISLATION SECRETARIAT NOTIFICATION

**NO. DPAL 20 SHASANA 2021, BENGALURU, DATED: 07.10.2021**

The Karnataka Co-operative Societies (Amendment) Bill, 2021 ಇದಕ್ಕೆ 2021ರ ಅಕ್ಟೋಬರ್‌ನಲ್ಲಿ 5ನೇ ದಿನಾಂಕದಂದು ರಾಜ್ಯಪಾಲರ ಒಪ್ಪಿಗೆ ದೊರೆತಿದ್ದು, ಸಾಮಾನ್ಯ ತಿಳುವಳಿಕೆಗಾಗಿ ಇದನ್ನು 2021ರ ಕರ್ನಾಟಕ ಅಧಿನಿಯಮ ಸಂಖ್ಯೆ: 36 ಎಂಬುದಾಗಿ ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರದ ವಿಶೇಷ ಸಂಚಿಕೆಯ (ಭಾಗ-IV) ರಲ್ಲಿ ಪ್ರಕಟಿಸಬೇಕೆಂದು ಆದೇಶಿಸಲಾಗಿದೆ.

## KARNATAKA ACT NO 36 OF 2021

(First published in the Karnataka Gazette Extra-ordinary on the 7<sup>th</sup> day of October, 2021)

### THE KARNATAKA CO-OPERATIVE SOCIETIES (AMENDMENT) ACT, 2021

(Received the assent of the Governor on the 5<sup>th</sup> day of October, 2021)

An Act further to amend the Karnataka Co-operative Societies Act, 1959.

Whereas, it is expedient further to amend the Karnataka Co-operative Societies Act, 1959 (Karnataka Act No.11 of 1959) for the purpose hereinafter appearing.

Be it enacted by the Karnataka State Legislature in the seventy second year of the Republic of India as follows:-

**1. Short title and commencement.-** (1) This Act may be called the Karnataka Co-operative Societies (Amendment) Act, 2021.

(2) It shall come into force at once.

(೧)

**2. Amendment of section 2.-** In the Karnataka Co-operative Societies Act, 1959 (Karnataka Act No.11 of 1959) hereinafter referred to as the principal Act), in section 2, for clause (e-1-a) the following shall be substituted, namely:-

“(e-1-a) “Delegate” means a Director of a Co-operative Society appointed by the Board to represent that Co-operative society in other Co-operative Society with power to participate and vote in the general meeting and to contest or propose or second in the election of the Co-operative society to which he is appointed as delegate.”

**3. Amendment of section 6.-** In section 6 of the principal Act, in sub-section (2),-

(i) for clause (b) the following shall be substituted, namely:-

“(b) Where all the applicants are individuals, the number of applicants shall not be less than twenty and the applicants shall not belong to the same family; and

(ii) after clause (b) the following shall be inserted, namely:-

“(b-1) where all the applicants are cooperative societies, the number of applicants shall not be less than thirteen.

Provided that State Government may in special cases permit the applicants co-operative societies less than thirteen.”

**4. Amendment of section 17.-** In section 17 of the principal Act,-

(i) in sub-section(1), for clause (f) the following shall be substituted, namely:-

“(f) is a paid employee of the society or its financing bank or its union or its federal society.”

(ii) for sub-section (2-A), the following shall be substituted, namely:-

“(2-A) If any person is found to be a member or continuing as member in two or more co-operative societies carrying similar business, it shall be obligatory on his part to retain membership in any one society of his choice within a period of ninety days from the date of commencement of the Karnataka Co-operative Societies (Amendment) Act, 2021. If he fails to do so, his membership shall be deemed to have been ceased in the Co-operative society to which he is newly admitted.”

---

**5. Amendment of section 20.-** In section 20 of the principal Act in sub-section (2),-

- (i) in clause (a-iii) for the proviso the following shall be substituted, namely:-

“Provided that nothing in this clause shall apply to member of a society participating in the first General Body Meeting and the first election of the Board of such society held immediately after its registration.”

- (ii) for clause (a-iv) the following shall be substituted, namely:-

“(a-iv) a member, a representative or a delegate who has failed to attend at least any two annual general meeting out of the last five annual general meetings duly communicated to him;”

- (iii) for clause (a-v) except the proviso, the following shall be substituted, namely:-

“(a-v) a member or a representative who has failed to utilize such minimum services or facilities as may be specified in the Bye-Laws for any two Co-operative years out of the last five Co-operative years;”

- (iv) in proviso to clause (a-v) for the words “three years” the words “one year” shall be substituted; and

- (v) in clause (b) in explanation for the words “fifteen days” and “thirty days” the words “twenty one days” and “forty five days” shall respectively be substituted.

**6. Insertion of new section 22.-** After section 21 of the principal Act, the following shall be inserted, namely:-

**“22. Restrictions on holding shares.-**In any cooperative society, no member other than the Government, or any other cooperative society with the previous sanction of the state Government, the State Warehousing Corporation or Zilla Panchayath constituted under the Karnataka Gram Swaraj and Panchayat Raj Act, 1993 (Karnataka Act No 14 of 1993) or any statutory or non-statutory board, committee or corporation shall hold more than such portion of the total share capital of the society not exceeding five percent thereof as may be prescribed.”

**7. Amendment of section 27A.-**In section 27A of the principal Act,-

- (i) in clause (a) for the word “three” the word “two” shall be substituted;
- (ii) in clause (b) after the words “specified in the byelaws” the words “for any two

co-operative years out of the last five co-operative years” shall be inserted;  
and

(iii) in the proviso for the words “three years” the words “one year” shall be substituted.

**8. Amendment of section 28.**-In section 28 of the principal Act, after sub-section (2) the following shall be inserted, namely:-

“(3) The quorum for the special general meeting shall be the same as specified in sub-section (4) of section 27.”

**9. Amendment of section 29C.**- In section 29C of the principal Act,-

- (i) in sub-section (1), in clause (a) after the words “co operative society” the words “or Souhardha co-operative” shall be inserted;
- (ii) in sub-section (8), in clause (d) for the words “in cases falling under clauses (a), (b), (c) and (d) of this sub-section” the words “in cases falling under clauses (a), (b), (c) and (d) of this sub-section remove and” shall be substituted.

**10. Amendment of section 29E.**- In section 29E of the principal Act, after the first proviso, the following proviso shall be inserted, namely:-

“provided further that the board may fill up casual vacancy of the board by nomination out of the same class of members in respect of which the casual vacancy has arisen till the election is held for such vacancy.”

**11. Amendment of section 39AA.**- In section 39AA of the Principal Act, in sub-section (2), for the words “electoral rolls for” the words “electoral rolls and conduct of” shall be substituted.

**12. Amendment of section 39I.**- In section 39I of the principal Act,

- (i) in sub-section (4) after the words “this section applies are” the words “the election officers” shall be inserted; and
- (ii) after the words “in connection with the” the words “preparation of electoral roll or” shall be inserted.

---

**13. Amendment of section 68.-** In section 68 of the principal Act, in sub-section (1);-

- (i) for the words “The Registrar may” the words “The Registrar shall” shall be substituted; and
- (ii) after the word “disclosed” the words “in the audit report under section 63 or” shall be inserted.

**14. Amendment of section 72.-** In section 72 of the principal Act, after sub-section (5) the following shall be inserted, namely;-

“(6) The process of winding up of a co-operative society under sub-sections (1), (2) and (5) above, shall be completed within a period of three years from the date of direction from the Registrar:

Provided that the said period may be extended by the Registrar for the reasons to be recorded in writing for a further period of one year:

Provided further that the State Government may, on a report made by the Registrar shall have power to extend the said period, if it is satisfied that, there are genuine grounds for the extension.”

**15. Substitution of expression Co-operation Election Authority.-** In the principal Act, for the words “Cooperative Election Commission” wherever they occur, the words “Cooperative Election Authority” shall be substituted.

By Order and in the name of  
the Governor of Karnataka,

**(G. SRIDHAR)**  
Secretary to Government  
Department of Parliamentary Affairs  
and Legislation

**ಸಂಸದೀಯ ವ್ಯವಹಾರಗಳು ಮತ್ತು ಶಾಸನ ರಚನೆ ಸಚಿವಾಲಯ**  
**ಅಧಿಸೂಚನೆ**

**ಸಂಖ್ಯೆ: ಸಂವ್ಯಾಶಾ 20 ಶಾಸನ 2021, ಬೆಂಗಳೂರು, ದಿನಾಂಕ: 07.10.2021.**

The Karnataka Official Language Act, 1963 (Karnataka Act 26 of 1963) ರ ಪ್ರಕರಣ 5-ಎ ರಡಿಯಲ್ಲಿ ರಾಜ್ಯಪಾಲರಿಂದ ಅಧಿಕೃತಗೊಳಿಸಿದ the Karnataka Co-operative Societies (Amendment) Act, 2021(Karnataka Act 36 of 2021) ರ ಭಾಷಾಂತರವನ್ನು ಅಧಿಕೃತ ಕನ್ನಡ ಪಠ್ಯವೆಂದು ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರದ ವಿಶೇಷ ಸಂಚಿಕೆಯ (ಭಾಗ-IV) ರಲ್ಲಿ ಪ್ರಕಟಿಸಬೇಕೆಂದು ಆದೇಶಿಸಲಾಗಿದೆ.

**2021ರಕರ್ನಾಟಕಅಧಿನಿಯಮಸಂಖ್ಯೆ: 36**

(2021ರ ಅಕ್ಟೋಬರ್ ತಿಂಗಳ 7ನೇ ದಿನಾಂಕದಂದು ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರದ ವಿಶೇಷ ಸಂಚಿಕೆಯಲ್ಲಿ ಮೊದಲು ಪ್ರಕಟವಾಗಿದೆ)

**ಕರ್ನಾಟಕ ಸಹಕಾರ ಸಂಘಗಳ (ತಿದ್ದುಪಡಿ) ಅಧಿನಿಯಮ, 2021**

(2021ರ ಅಕ್ಟೋಬರ್ ತಿಂಗಳ 5ನೇ ದಿನಾಂಕದಂದು ರಾಜ್ಯಪಾಲರಿಂದ ಅನುಮತಿಯನ್ನು ಪಡೆಯಲಾಗಿದೆ)

ಕರ್ನಾಟಕ ಸಹಕಾರ ಸಂಘಗಳ ಅಧಿನಿಯಮ, 1959ನ್ನು ಮತ್ತಷ್ಟು ತಿದ್ದುಪಡಿ ಮಾಡಲು ಒಂದು ಅಧಿನಿಯಮ.

ಇಲ್ಲಿ ಇನ್ನು ಮುಂದೆ ಕಂಡು ಬರುವ ಉದ್ದೇಶಗಳಿಗಾಗಿ, ಕರ್ನಾಟಕ ಸಹಕಾರ ಸಂಘಗಳ ಅಧಿನಿಯಮ, 1959ನ್ನು (1959 ರ ಕರ್ನಾಟಕ ಅಧಿನಿಯಮ ಸಂಖ್ಯೆ: 11) ಮತ್ತಷ್ಟು ತಿದ್ದುಪಡಿ ಮಾಡುವುದು ಯುಕ್ತವಾಗಿರುವುದರಿಂದ.

ಇದು, ಭಾರತ ಗಣರಾಜ್ಯದ ಎಪ್ಪತ್ತೆರಡನೇ ವರ್ಷದಲ್ಲಿ ಕರ್ನಾಟಕ ರಾಜ್ಯ ವಿಧಾನ ಮಂಡಲದಿಂದ ಈ ಮುಂದಿನಂತೆ ಅಧಿನಿಯಮಿತವಾಗಲಿ:-

**1. ಸಂಕ್ಷಿಪ್ತ ಹೆಸರು ಮತ್ತು ಪ್ರಾರಂಭ.-** ಈ ಅಧಿನಿಯಮವನ್ನು ಕರ್ನಾಟಕ ಸಹಕಾರ ಸಂಘಗಳ (ತಿದ್ದುಪಡಿ) ಅಧಿನಿಯಮ, 2021 ಎಂದು ಕರೆಯತಕ್ಕದ್ದು.

(2)ಇದು, ಈ ಕೂಡಲೇ ಜಾರಿಗೆ ಬರತಕ್ಕದ್ದು.

**2. 2ನೇ ಪ್ರಕರಣದ ತಿದ್ದುಪಡಿ.-**ಕರ್ನಾಟಕ ಸಹಕಾರ ಸಂಘಗಳ ಅಧಿನಿಯಮ, 1959ರ (1959ರ ಕರ್ನಾಟಕ ಅಧಿನಿಯಮ ಸಂಖ್ಯೆ:11) (ಇದರಲ್ಲಿ ಇನ್ನು ಮುಂದೆ ಮೂಲ ಅಧಿನಿಯಮವೆಂದು ಉಲ್ಲೇಖಿಸಲಾಗಿದೆ) 2ನೇ ಪ್ರಕರಣದಲ್ಲಿ (ಇ-1-ಎ) ಖಂಡಕ್ಕೆ ಬದಲಾಗಿ ಈ ಮುಂದಿನದನ್ನು ಪ್ರತಿಯೋಜಿಸತಕ್ಕದ್ದು, ಎಂದರೆ:-

"(ಇ-1-ಎ) "ಪ್ರತಿನಿಧಿ" ಎಂದರೆ, ಮಹಾ ಸಭೆಯಲ್ಲಿ ಭಾಗವಹಿಸುವ ಮತ್ತು ಮತಚಲಾಯಿಸುವ ಅಧಿಕಾರದೊಂದಿಗೆ ಇತರ ಸಹಕಾರ ಸಂಘಗಳಲ್ಲಿ ಆ ಸಹಕಾರ ಸಂಘವನ್ನು ಪ್ರತಿನಿಧಿಸಲು ಮತ್ತು ಆತ ಪ್ರತಿನಿಧಿ ಎಂದು ಯಾವುದಕ್ಕೆ ನೇಮಕವಾಗಿರುವನೋ ಆ ಸಹಕಾರ ಸಂಘದ ಚುನಾವಣೆಯಲ್ಲಿ ಸ್ಪರ್ಧಿಸಲು ಅಥವಾ ಅನುಮೋದಿಸಲು ಅಥವಾ ಬೆಂಬಲಿಸಲು ಮಂಡಳಿಯಿಂದ ನೇಮಕವಾದ ಸಹಕಾರ ಸಂಘದ ನಿರ್ದೇಶಕ."

**3.6ನೇಪ್ರಕರಣದ ತಿದ್ದುಪಡಿ.-** ಮೂಲ ಅಧಿನಿಯಮದ 6ನೇ ಪ್ರಕರಣದ (2)ನೇ ಉಪ-ಪ್ರಕರಣದಲ್ಲಿ,-

(i) (ಬಿ) ಖಂಡದ ಬದಲಿಗೆ ಈ ಮುಂದಿನದನ್ನು ಪ್ರತಿಯೋಜಿಸತಕ್ಕದ್ದು ಎಂದರೆ:-

"(ಬಿ) ಎಲ್ಲಾ ಅರ್ಜಿದಾರರು ವ್ಯಕ್ತಿಗಳಾಗಿರುವಲ್ಲಿ, ಅರ್ಜಿದಾರರ ಸಂಖ್ಯೆಯು ಇಪ್ಪತ್ತಕ್ಕಿಂತ ಕಡಿಮೆ ಇರತಕ್ಕದ್ದಲ್ಲ ಮತ್ತು ಅರ್ಜಿದಾರರು ಒಂದೇ ಕುಟುಂಬಕ್ಕೆ ಸೇರಿರತಕ್ಕದ್ದಲ್ಲ; ಮತ್ತು"

(ii) (ಬಿ) ಖಂಡದ ತರುವಾಯ ಈ ಮುಂದಿನದನ್ನು ಸೇರಿಸತಕ್ಕದ್ದು, ಎಂದರೆ:-

"(ಬಿ-1) ಎಲ್ಲಾ ಅರ್ಜಿದಾರರು ಸಹಕಾರ ಸಂಘಗಳಾಗಿದ್ದಲ್ಲಿ, ಅರ್ಜಿದಾರರ ಸಂಖ್ಯೆಯು ಹದಿಮೂರಕ್ಕಿಂತ ಕಡಿಮೆ ಇರತಕ್ಕದ್ದಲ್ಲ;

ಪರಂತು ರಾಜ್ಯ ಸರ್ಕಾರವು ವಿಶೇಷ ಪ್ರಕರಣಗಳಲ್ಲಿ ಅರ್ಜಿದಾರ ಸಹಕಾರ ಸಂಘಗಳ ಸಂಖ್ಯೆಯು ಹದಿಮೂರಕ್ಕಿಂತ ಕಡಿಮೆಯಿದ್ದರೂ ಅದನ್ನು ಅನುಮತಿಸಬಹುದು."

**4.17ನೇ ಪ್ರಕರಣದ ತಿದ್ದುಪಡಿ.-** ಮೂಲ ಅಧಿನಿಯಮದ 17ನೇ ಪ್ರಕರಣದಲ್ಲಿ,-

(i) (1)ನೇ ಪ್ರಕರಣದ "ಎಫ್" ಖಂಡದ ಬದಲಿಗೆ ಈ ಮುಂದಿನದನ್ನು ಪ್ರತಿಯೋಜಿಸತಕ್ಕದ್ದು, ಎಂದರೆ:-

"(ಎಫ್) ಸಂಘದ ಅಥವಾ ಅದಕ್ಕೆ ಹಣಕಾಸು ಒದಗಿಸುವ ಬ್ಯಾಂಕು ಅಥವಾ ಅದರ ಒಕ್ಕೂಟ ಅಥವಾ ಅದರ ಸಂಯುಕ್ತ ಸಂಘದಿಂದ ಸಂಬಳ ಪಡೆಯುವ ಉದ್ಯೋಗಿಯಾಗಿದ್ದರೆ."

(ii) (2ಎ) ಉಪಪ್ರಕರಣದ ಬದಲಿಗೆ ಈ ಮುಂದಿನದನ್ನು ಪ್ರತಿಯೋಜಿಸತಕ್ಕದ್ದು, ಎಂದರೆ:-

"(2-ಎ) ಯಾರೇ ವ್ಯಕ್ತಿಯು ಒಂದೇ ಬಗೆಯ ವ್ಯವಹಾರ ನಡೆಸುತ್ತಿರುವ ಎರಡು ಅಥವಾ ಹೆಚ್ಚಿನ ಸಹಕಾರ ಸಂಘಗಳಲ್ಲಿ ಸದಸ್ಯನಾಗಿರುವುದು ಅಥವಾ ಸದಸ್ಯನಾಗಿ ಮುಂದುವರಿಯುತ್ತಿರುವುದು ಕಂಡುಬಂದಲ್ಲಿ, ಕರ್ನಾಟಕ ಸಹಕಾರ ಸಂಘಗಳ (ತಿದ್ದುಪಡಿ) ಅಧಿನಿಯಮ, 2021 ರ ಪ್ರಾರಂಭದ ದಿನಾಂಕದಿಂದ ತೊಂಬತ್ತು ದಿನಗಳ ಅವಧಿಯ ಒಳಗಾಗಿ ಆತನ ಆಯ್ಕೆಯ ಯಾವುದೇ ಒಂದು ಸಂಘದಲ್ಲಿ ಸದಸ್ಯತ್ವ ಉಳಿಸಿಕೊಳ್ಳುವುದು ಆತನಿಗೆ ಬಾಧ್ಯವಾಗಿರತಕ್ಕದ್ದು. ಹಾಗೆ ಮಾಡಲು ಆತನು ವಿಫಲನಾದರೆ, ಆತ ಹೊಸದಾಗಿ ಯಾವ ಸಹಕಾರ ಸಂಘಕ್ಕೆ ಸೇರಿರುವನೋ ಅದರ ಸದಸ್ಯತ್ವವು ನಿಂತು ಹೋಗುವುದೆಂದು ಭಾವಿಸತಕ್ಕದ್ದು."

**5. 20ನೇ ಪ್ರಕರಣದ ತಿದ್ದುಪಡಿ.-** ಮೂಲ ಅಧಿನಿಯಮದ 20ನೇ ಪ್ರಕರಣದ (2)ನೇ ಉಪಪ್ರಕರಣದಲ್ಲಿ,-

(i) (ಎiii) ಖಂಡದ ಪರಂತುಕದ ಬದಲಿಗೆ, ಈ ಮುಂದಿನದನ್ನು ಪ್ರತಿಯೋಜಿಸತಕ್ಕದ್ದು, ಎಂದರೆ:-

"ಪರಂತು ಈ ಖಂಡದಲ್ಲಿರುವುದು ಯಾವುದೂ ಅದರ ನೋಂದಣಿಯಾದ ನಿಕಟ ತರುವಾಯ ನಡೆಯುವ ಅಂಥ ಸಂಘದ ಮೊದಲ ಮಹಾಸಭೆಯಲ್ಲಿ ಮತ್ತು ಸಂಘದ ಆಡಳಿತ ಮಂಡಳಿಯ ಮೊದಲ ಚುನಾವಣೆಯಲ್ಲಿ ಭಾಗವಹಿಸುವ ಸದಸ್ಯನಿಗೆ ಅನ್ವಯವಾಗತಕ್ಕದ್ದು."

(ii) (ಎ-iv) ಖಂಡದ ಬದಲಿಗೆ ಈ ಮುಂದಿನದನ್ನು ಪ್ರತಿಯೋಜಿಸತಕ್ಕದ್ದು, ಎಂದರೆ:-

"(ಎ-iv) ಆತನಿಗೆ ಯುಕ್ತವಾಗಿ ತಿಳಿಸಲಾದ ಕಳೆದ ಐದು ವಾರ್ಷಿಕ ಮಹಾ ಸಭೆಗಳ ಪೈಕಿ ಕನಿಷ್ಠ ಯಾವುದೇ ಎರಡು ವಾರ್ಷಿಕ ಮಹಾ ಸಭೆಗೆ ಹಾಜರಾಗಲು ವಿಫಲನಾದ ಒಬ್ಬ ಸದಸ್ಯ, ಒಬ್ಬ ಪ್ರತಿನಿಧಿ ಅಥವಾ ಒಬ್ಬ ನಿಯೋಗಿ."

(iii) ಪರಂತುಕವನ್ನು ಹೊರತುಪಡಿಸಿ (ಎ-V) ಖಂಡದ ಬದಲಿಗೆ, ಈ ಮುಂದಿನದನ್ನು

ಪ್ರತಿಯೋಜಿಸತಕ್ಕದ್ದು, ಎಂದರೆ:-

"(ಎ-V) ಹಿಂದಿನ ಐದು ಸಹಕಾರ ವರ್ಷಗಳ ಪೈಕಿ ಯಾವುದೇ ಎರಡು ಸಹಕಾರ ವರ್ಷಕ್ಕಾಗಿ ಉಪವಿಧಿಗಳಲ್ಲಿ ನಿರ್ದಿಷ್ಟಪಡಿಸಬಹುದಾದಂಥ ಕನಿಷ್ಠ ಸೇವೆಗಳನ್ನು ಅಥವಾ ಸೌಲಭ್ಯಗಳನ್ನು ಬಳಸಿಕೊಳ್ಳಲು ವಿಫಲನಾದ ಒಬ್ಬ ಸದಸ್ಯ ಅಥವಾ ಒಬ್ಬ ಪ್ರತಿನಿಧಿ."

(iv) (ಎ-V) ಖಂಡದ ಅಡಿಯಲ್ಲಿನ ಪರಂತುಕದಲ್ಲಿ "ಮೂರು ವರ್ಷಗಳ" ಎಂಬ ಪದಗಳಿಗೆ "ಒಂದು ವರ್ಷದ" ಎಂಬ ಪದಗಳನ್ನು ಪ್ರತಿಯೋಜಿಸತಕ್ಕದ್ದು.

(v) (ಬಿ) ಖಂಡದಲ್ಲಿನ ವಿವರಣೆಯಲ್ಲಿ "ಹದಿನೈದು ದಿನಗಳಿಗೆ" ಮತ್ತು "ಮೂವತ್ತು ದಿನಗಳಿಗೆ" ಎಂಬ ಪದಗಳ ಬದಲಿಗೆ "ಇಪ್ಪತ್ತೊಂದು ದಿನಗಳಿಗೆ" ಮತ್ತು "ನಲವತ್ತೈದು ದಿನಗಳಿಗೆ" ಎಂಬ ಪದಗಳನ್ನು ಅನುಕ್ರಮವಾಗಿ ಪ್ರತಿಯೋಜಿಸತಕ್ಕದ್ದು;

**6. 22ನೇ ಹೊಸ ಪ್ರಕರಣದ ಸೇರ್ಪಡೆ.-** ಮೂಲ ಅಧಿನಿಯಮದ 21ನೇ ಪ್ರಕರಣದ ತರುವಾಯ, ಈ ಮುಂದಿನದನ್ನು ಸೇರಿಸತಕ್ಕದ್ದು, ಎಂದರೆ:-

**"22. ಷೇರುಗಳನ್ನು ಹೊಂದಿರುವುದರ ಮೇಲೆ ನಿರ್ಬಂಧಗಳು:-** ಯಾವುದೇ ಸಹಕಾರಿ ಸಂಘದಲ್ಲಿ,

ಸರ್ಕಾರವಲ್ಲದ ಯಾರೇ ಸದಸ್ಯನು ಅಥವಾ ರಾಜ್ಯ ಸರ್ಕಾರದ ಪೂರ್ವ ಮಂಜೂರಾತಿ ಪಡೆದು ಯಾವುದೇ ಇತರ ಸಹಕಾರ ಸಂಘ, ರಾಜ್ಯ ಉಗ್ರಾಣ ನಿಗಮ ಅಥವಾ ಕರ್ನಾಟಕ ಗ್ರಾಮ ಸ್ವರಾಜ್ ಮತ್ತು ಪಂಚಾಯತ್ ರಾಜ್ ಅಧಿನಿಯಮ, 1993ರ (1993ರ ಕರ್ನಾಟಕ ಅಧಿನಿಯಮ ಸಂಖ್ಯೆ 14) ಅಡಿಯಲ್ಲಿ ರಚಿಸಲಾದ ಜಿಲ್ಲಾ ಪಂಚಾಯಿತಿ ಅಥವಾ ಯಾವುದೇ ಶಾಸನಬದ್ಧ ಅಥವಾ ಶಾಸನಬದ್ಧವಲ್ಲದ ಮಂಡಳಿ, ಸಮಿತಿ ಅಥವಾ ನಿಗಮವು

ನಿಯಮಿಸಬಹುದಾದಂತೆ ಸಂಘದ ಒಟ್ಟು ಷೇರು ಬಂಡವಾಳದಲ್ಲಿ ಶೇಕಡ ಐದರಷ್ಟನ್ನು ಮೀರದಂಥ ಭಾಗಕ್ಕಿಂತ ಹೆಚ್ಚಿನ ಷೇರನ್ನು ಹೊಂದತಕ್ಕದ್ದಲ್ಲ.”

**7. 27ಎ ಪ್ರಕರಣದ ತಿದ್ದುಪಡಿ.-** ಮೂಲ ಅಧಿನಿಯಮದ 27ನೇ ಪ್ರಕರಣದಲ್ಲಿ,-

(i) (ಎ) ಖಂಡದಲ್ಲಿ “ಮೂರು” ಎಂಬ ಪದದ ಬದಲಿಗೆ “ಎರಡು” ಎಂಬ ಪದವನ್ನು

ಪ್ರತಿಯೋಜಿಸತಕ್ಕದ್ದು;

(ii) (ಬಿ) ಖಂಡದಲ್ಲಿ “ಉಪವಿಧಿಗಳಲ್ಲಿ” ಎಂಬ ಪದದ ಮೊದಲಿಗೆ “ಕಳೆದ ಐದು ಸಹಕಾರಿ ವರ್ಷಗಳಲ್ಲಿ ಯಾವುದೇ ಎರಡು ಸಹಕಾರಿ ವರ್ಷಗಳಿಗಾಗಿ” ಎಂಬ ಪದಗಳನ್ನು ಸೇರಿಸತಕ್ಕದ್ದು; ಮತ್ತು

(iii) ಪರಂತುಕದಲ್ಲಿ “ಮೂರು ವರ್ಷಗಳ” ಎಂಬ ಪದಗಳ ಬದಲಿಗೆ “ಒಂದು ವರ್ಷ”ದ ಎಂಬ ಪದಗಳನ್ನು ಪ್ರತಿಯೋಜಿಸತಕ್ಕದ್ದು.

**8. 28ನೇ ಪ್ರಕರಣದ ತಿದ್ದುಪಡಿ.-** ಮೂಲ ಅಧಿನಿಯಮದ 28ನೇ ಪ್ರಕರಣದ (2)ನೇ ಉಪ ಪ್ರಕರಣದ ತರುವಾಯ ಈ ಮುಂದಿನದನ್ನು ಸೇರಿಸತಕ್ಕದ್ದು, ಎಂದರೆ:-

“(3) ವಿಶೇಷ ಮಹಾಸಭೆಗಾಗಿ ಕೋರಂ, 27ನೇ ಪ್ರಕರಣದ (4) ನೇ ಉಪ-ಪ್ರಕರಣದಲ್ಲಿ ನಿರ್ದಿಷ್ಟಪಡಿಸಿದಂತೆಯೇ ಇರತಕ್ಕದ್ದು.”

**9. 29 ಸಿ ಪ್ರಕರಣದ ತಿದ್ದುಪಡಿ.-** ಮೂಲ ಅಧಿನಿಯಮದ 29ಸಿ ಪ್ರಕರಣದಲ್ಲಿ,-

(i) (1)ನೇ ಉಪಪ್ರಕರಣದ (ಎ) ಖಂಡದಲ್ಲಿ “ಸಹಕಾರ ಸಂಘಕ್ಕೆ” ಎಂಬ ಪದಗಳ ತರುವಾಯ “ಅಥವಾ ಸೌಹಾರ್ದ ಸಹಕಾರಿಗೆ” ಎಂಬ ಪದಗಳನ್ನು ಸೇರಿಸತಕ್ಕದ್ದು;

(ii) (8)ನೇ ಉಪಪ್ರಕರಣದ (ಡಿ) ಖಂಡದಲ್ಲಿ “ಅನರ್ಹಗೊಳಿಸಬಹುದು” ಎಂಬ ಪದದ ಬದಲಿಗೆ “ತೆಗೆದುಹಾಕಬಹುದು ಮತ್ತು ಅನರ್ಹಗೊಳಿಸಬಹುದು” ಎಂಬ ಪದವನ್ನು ಪ್ರತಿಯೋಜಿಸತಕ್ಕದ್ದು.

**10. 29ಇ ಪ್ರಕರಣದ ತಿದ್ದುಪಡಿ.-** ಮೂಲ ಅಧಿನಿಯಮದ 29ಇ ಪ್ರಕರಣದಲ್ಲಿ, ಮೊದಲ ಪರಂತುಕದ ತರುವಾಯ, ಈ ಮುಂದಿನ ಪರಂತುಕವನ್ನು ಸೇರಿಸತಕ್ಕದ್ದು, ಎಂದರೆ:-

“ಮತ್ತು ಪರಂತು ಮಂಡಳಿಯ ಅಂತಹ ರಿಕ್ತ ಸ್ಥಾನಕ್ಕಾಗಿ ಚುನಾವಣೆ ನಡೆಯುವವರೆಗೆ, ಉದ್ಯವವಾಗುವ ತಾತ್ಕಾಲಿಕ ಸ್ಥಾನಕ್ಕೆ ಸಂಬಂಧಿಸಿದಂತೆ, ಅದೇ ವರ್ಗದ ಸದಸ್ಯರುಗಳ ಪೈಕಿ ನಾಮನಿರ್ದೇಶನದ ಮೂಲಕ ಮಂಡಳಿಯ ತಾತ್ಕಾಲಿಕ ಸ್ಥಾನವನ್ನು ಭರ್ತಿ ಮಾಡಬಹುದು.”

**11. 39 ಎಎ ಪ್ರಕರಣದ ತಿದ್ದುಪಡಿ.-** ಮೂಲ ಅಧಿನಿಯಮದ 39 ಎಎ ಪ್ರಕರಣದ, (2)ನೇ ಉಪ-ಪ್ರಕರಣದಲ್ಲಿ “ಮತದಾರ ಪಟ್ಟಿಗಳನ್ನು” ಎಂಬ ಪದಗಳ ಬದಲಿಗೆ “ಮತದಾರರ ಪಟ್ಟಿಗಳನ್ನು” ಎಂಬ ಪದಗಳನ್ನು ಪ್ರತಿಯೋಜಿಸತಕ್ಕದ್ದು.

**12. 39ಐ ಪ್ರಕರಣದ ತಿದ್ದುಪಡಿ.-** ಮೂಲ ಅಧಿನಿಯಮದ 39ಐ ಪ್ರಕರಣದಲ್ಲಿ,-

(i) (4)ನೇ ಉಪ-ಪ್ರಕರಣದಲ್ಲಿ “ಈ ಪ್ರಕರಣವು ಅನ್ವಯವಾಗುವ ವ್ಯಕ್ತಿಗಳೆಂದರೆ” ಎಂಬ ಪದಗಳ ತರುವಾಯ “ಚುನಾವಣಾ ಅಧಿಕಾರಿಗಳು” ಎಂಬ ಪದಗಳನ್ನು ಸೇರಿಸತಕ್ಕದ್ದು; ಮತ್ತು

(ii) “ಪೋಲಿಂಗ್ ಆಫೀಸರ್ ಗಳು ಮತ್ತು” ಎಂಬ ಪದಗಳ ತರುವಾಯ “ಮತದಾರರ ಪಟ್ಟಿಯನ್ನು ಸಿದ್ಧಪಡಿಸುವುದಕ್ಕಾಗಿ ಅಥವಾ ” ಎಂಬ ಪದಗಳನ್ನು ಸೇರಿಸತಕ್ಕದ್ದು.

**13. 68ನೇ ಪ್ರಕರಣದ ತಿದ್ದುಪಡಿ.-** ಮೂಲ ಅಧಿನಿಯಮದ 68ನೇ ಪ್ರಕರಣದಲ್ಲಿ, (1)ನೇ ಉಪ ಪ್ರಕರಣದಲ್ಲಿ:-

(i) “ನಿರ್ದೇಶಿಸಬಹುದು” ಎಂಬ ಪದದ ಬದಲಿಗೆ “ನಿರ್ದೇಶಿಸತಕ್ಕದ್ದು” ಎಂಬ ಪದವನ್ನು ಪ್ರತಿಯೋಜಿಸತಕ್ಕದ್ದು; ಮತ್ತು

(ii) "ಪದಾಧಿಕಾರಿಗಳನ್ನು" ಎಂಬ ಪದದ ತರುವಾಯ "63ನೇ ಪ್ರಕರಣದ ಅಡಿಯಲ್ಲಿನ ಲೆಕ್ಕ ಪರಿಶೋಧನಾ ವರದಿಯಲ್ಲಿ ಅಥವಾ" ಎಂಬ ಪದಗಳನ್ನು ಸೇರಿಸತಕ್ಕದ್ದು.

**14. 72ನೇ ಪ್ರಕರಣದ ತಿದ್ದುಪಡಿ.-**ಮೂಲ ಅಧಿನಿಯಮದ 72ನೇ ಪ್ರಕರಣದ (5)ನೇ ಉಪ ಪ್ರಕರಣದ ತರುವಾಯ, ಈ ಮುಂದಿನದನ್ನು ಸೇರಿಸತಕ್ಕದ್ದು ಎಂದರೆ:-

"(6) ಮೇಲ್ಕಂಡ (1), (2) ಮತ್ತು (5) ನೇ ಉಪ ಪ್ರಕರಣಗಳ ಅಡಿಯಲ್ಲಿ ಸಹಕಾರ ಸಂಘದ ಸಮಾಪನಗೊಳಿಸುವ ಪ್ರಕ್ರಿಯೆಯು ರಿಜಿಸ್ಟ್ರಾರ್ ಅವರು ನಿರ್ದೇಶನ ನೀಡಿದ ದಿನಾಂಕದಿಂದ ಮೂರು ವರ್ಷಗಳ ಅವಧಿಯೊಳಗೆ ಮುಕ್ತಾಯಗೊಳ್ಳತಕ್ಕದ್ದು:

ಪರಂತು ಲಿಖಿತದಲ್ಲಿ ದಾಖಲಿಸಬೇಕಾದ ಕಾರಣಗಳಿಗಾಗಿ ರಿಜಿಸ್ಟ್ರಾರರು, ಸದರಿ ಅವಧಿಯನ್ನು ಒಂದು ವರ್ಷದ ಮತ್ತೊಂದು ಅವಧಿಗೆ ವಿಸ್ತರಿಸಬಹುದು:

ಮತ್ತು ಪರಂತು ರಾಜ್ಯ ಸರ್ಕಾರವು, ರಿಜಿಸ್ಟ್ರಾರನು ಮಾಡಿದ ವರದಿಯ ಮೇಲೆ, ವಿಸ್ತರಣೆಗಾಗಿ ನೈಜ ಕಾರಣಗಳಿವೆಯೆಂದು ಮನಗಂಡರೆ, ದಾಖಲಿಸಬೇಕಾದ ಕಾರಣಗಳಿಗಾಗಿ ಅವಧಿಯನ್ನು ವಿಸ್ತರಿಸುವ ಅಧಿಕಾರವನ್ನು ಹೊಂದಿರತಕ್ಕದ್ದು."

**15. ಸಹಕಾರ ಚುನಾವಣಾ ಪ್ರಾಧಿಕಾರದ ಪದಾವಳಿಯ ಪ್ರತಿಯೋಜನೆ.-** ಮೂಲ ಅಧಿನಿಯಮದಲ್ಲಿ "ಸಹಕಾರ ಚುನಾವಣೆ ಆಯೋಗ" ಎಂಬ ಪದಗಳು ಬರುವ ಕಡೆಗಳೆಲ್ಲಾ, "ಸಹಕಾರ ಚುನಾವಣಾ ಪ್ರಾಧಿಕಾರ" ಎಂಬ ಪದಗಳನ್ನು ಪ್ರತಿಯೋಜಿಸತಕ್ಕದ್ದು.

The above translation of the Karnataka Co-operative Societies (Amendment) Act, 2021(Karnataka Act 36 of 2021) shall be authoritative text in the Kannada language under section 5A of the Karnataka Official Language Act, 1963 (Karnataka Act 26 of 1963).

**ಧಾವರ್ ಚಂದ್ ಗೆಹ್ಲೋಟ್  
ಕರ್ನಾಟಕ ರಾಜ್ಯಪಾಲರು**

ಕರ್ನಾಟಕ ರಾಜ್ಯಪಾಲರ ಆದೇಶಾನುಸಾರ  
ಮತ್ತು ಅವರ ಹೆಸರಿನಲ್ಲಿ,

**(ಜಿ. ಶ್ರೀಧರ್)**  
ಸರ್ಕಾರದ ಕಾರ್ಯದರ್ಶಿ,  
ಸಂಸದೀಯ ವ್ಯವಹಾರಗಳು ಮತ್ತು  
ಶಾಸನ ರಚನೆ ಇಲಾಖೆ